Daily Report

Central Eurasia

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Daily Report
Central Eurasia

FBIS-SOV-94-220 *15 November 1994*

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ITAR-TASS Carries Press Review for 15 Nov 94

LD1511075394 Moscow ITAR-TASS in English 0649 GMT 15 Nov 94

[FBIS Transcribed Text] Moscow November 15 TASS—ROSSIYSKAYA GAZETA carries excerpts from the "moment of truth" television programme, in which journalist Andrey Karaulov conversed with state Duma Speaker Ivan Rybkin.

"It is important not only to hear a dialogue with top officials but also to read the text of it. Today our newspaper is the only one to enable its subscribers to read carefully the text of the televised dialogue...", ROSSIYSKAYA GAZETA writes.

NEZAVISIMAYA GAZETA on the state of affairs in executive power bodies:

President Boris Yeltsin "again tackles the problem of his own power, not the problems of the coutnry... This time he does so already without any reliance on the West. The point is that Yeltsin has run out of his resource of concessions to the West. Therefore he has to become aggressive not only inside the country but in the international arena as well—if only declaratively".

KOMSOMOLSKAYA PRAVDA on presidential press secretary's position:

"Yet another resignation is ripening in the presidential staff. This time efforts are being made to oust Presidential Press Secretary Vyacheslav Kostikov and transfer him elsewhere. His knowledge of people, countries and languages will possibly come in useful somewhere in this country, but not in the Kremlin, for he was too conspicuous there, and not only for his beard..."

NEZAVISIMAYA GAZETA carries an interview with new Latvian Premier Maris Gailis, who stated: "we develop relations with the United States but, possibly, we are really of no interest to the U.S. Any longer because the Russian Army has been withdrawan. This is normal.

"it would be better for us to think of our position in the world, since we had a high opinion of ourselves... We have contacts with ex-Soviet republics... We intend to develop this network of contacts but this is connected with budget resources and is a costly affair". NEZAVISIMAYA GAZETA runs an article by Vladimir Lukin, chairman of the State Duma Committee on Internaitonal Affairs and one of the leaders of the Yabloko bloc, who writes: "Cynics say that the lesson of history is only that it does not teach anything. This is really so in a sense. Each historical situation is unique. But the history of Russia has had reiterations. It develops cyclically: a modernisation spiral is followed by a reversion".

NOVAYA YEZHEDNEVNAYA GAZETA (New Daily Newspaper) frontpages an article about Russian civil aviation.

The newspaper's opinion is that in order to take aviation out of the critical situation, it is essential to regard as paramount the absolute ensurance of the safety of flights and of the lives of air passengers, not profit at all costs".

ROSSIYSKIYE VESTI devotes much attention to conditions in which prisoners in Russia are kept. It emphasises that this "develops from a social problem into a political issue. This is one of the reasons why our country is not admitted to the council of europe". The newspaper maintains that "65 million citizens of the former Soviet Union passed through prisons".

TRUD carries an interview with B. Pashkov, head of the governmental commission's working group dealing with defaults of payments, who said the state now accounts for about 34 per cent of the aggregate wage arrears, private enterprises—28 per cent, and joint venture—38 per cent.

TRUD runs an interview with new Russian Economics Minister Yevgeniy Yasin who believes that "the rouble crash was the reflection of actual processes taking place in our country". "There is a lot of criminal things in our economy but not in this case," Yasin emphasised.

TRUD carries an interview with Jim Moody, chief of the FBI subdivision in charge of action to fight organised crime. He said Russian criminals, upon arriving in the United States, buy enterprises belonging to Cosa Nostra and share profits with it. The FBI believes that Russian criminal groups in the U.S. Have already joined hands, he pointed out.

KRASNAYA ZVEZDA (Red Star) carries an interview with Fedor Druzhinin, head of the agricultural board of the Russian Defence Ministry's Central Food Department. He points out: "agriculture can be managed without subtleties but it does not tolerate follies."

"The reforms, which were launched in Russia's agrarian centre in 1991, in my view, are in the latter category. They resemble very much the collectivisation campaign of the 1930s. Where are farmers on whom such great hopes were set? Unfortunately, an essential infrastructure for their normal work was never established".

IZVESTIA reports that the supply of electricity to all industrial enterprises was terminated in Arkhangelsk and Severedvinsk on the night from Sunday to Monday, for the local central heating-and-electric plants ran out of fuel.

IZVESTIYA runs an article by Boris Fedorov, a deputy to the State Duma and former minister of finance, who believes that a chronic political crisis is observed in the country and "one should not think that the crisis is over. The government is an interim one. The lack of policy prompts hasty decisions.

"Government reshuffles imitate work, mask the restoration of old ways, and make for a rollback from reforms. The wishes of Zyuganovs are coming true".

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SOVETSKAYA ROSSIYA and PRAVDA run an address by the presidium of the central executive committee of the communist party of the Russian Federation to the citizens of Russia. The address emphasises, in particular, as follows: "a threat to national security has reached the critical mark. With every passing day, our people lose independence and freedom. The country loses sovereignty and turns into a semi-colony... It is inadmisssible to remain indifferent to this misfortune of the motherland. The future generations will not forgive us for that".

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Effects of U.S. Elections on Relations Viewed

LD1411224294 Moscow Voice of Russia World Service in English 2010 GMT 14 Nov 94

["Commentary" by Viktor Yenikeyev; from the "News and Views" program]

[FBIS Transcribed Text] For the first time in four decades the U.S. Republican Party got a grip on the Congress as a result of the recent by-elections. This prompted officials across the ocean to fear strong rivalry between the executive and legislative bodies of power. What can it mean for the Moscow-Washington relations? There are controversial opinions, even pessimistic ones, on that score. The first alarming signal is the United States' unilateral refusal to obey the UN arms embargo against the Bosnian Moslems. Viktor Yenikeyev reports:

[Begin Yenikeyev recording] One swallow doesn't make a summer, the more so considering a well-known disagreement between the United States and Russia over Iraq. And there may be more differences between American and Russian diplomats on other international problems. But are there any reasons to put in question the strategic partnership that emerged and is strengthening between our countries? Does the by-elections and the Democratic Party's defeat in it provide the ground for such conclusions? It is reasonably safe to say no it doesn't. Remember what the Americans voted against: They dislike the tax policy pursued by the White House, worry about growing crime and complain over the present-day welfare system; many oppose the health reform worked out and monitored by First Lady Hilary Clinton. One may consider it unserious but some Americans don't like at all the way the Clintons administer the state. It is not difficult to understand that not one of these factors has anything to do with Russia or the U.S.-Russia relations. Besides, one should bear in mind that every preceding administration sought to win the Congress's support while shaping the key avenues of its foreign policy. By the way, the Republican presidents—Nixon, Ford, Reagan and Bush—were on fairly good terms with the Russian leaders. It was during their years in office that the process of nuclear disarmament got under way, and foundations for today's partnership were laid. There remains to be seen whether the Republican-dominated Congress will push the Democratic administration toward more active and fruitful cooperation with Moscow. Meanwhile the results of a poll conducted by the TIME magazine together with the CNN television, show that 61 percent of Americans do not foresee any serious changes in the White House policy. So there is hardly a reason for pessimism, primarily because mutual understanding and partnership with Russia serve the interests of the whole American people, not just Democrats or Republicans. [end recording]

Spokesman Explains Yeltsin Remarks on U.S. Relations

LD1511114594 Moscow INTERFAX in English 1136 GMT 15 Nov 94

[FBIS Transcribed Text] The Russian leadership consistently favors equality and honesty in its partnership with the USA, stability and predictability in bilateral relations, the Director of the Information and Press Department of the Russian Foreign Ministry Grigory Karasin told INTERFAX Tuesday.

Commenting on the foreign policy part of the speech made by President Boris Yeltsin at the Monday conference of the Russian military command in Moscow Karasin stressed that the concern voiced in it was prompted by actual developments in American politics.

As INTERFAX reported, Yeltsin said that following the failure of the Democrats in the mid-term elections in the USA one can expect a certain tightening of the American approach to Russia on foreign policy matters. In this context the Russian president spoke for seeking constructive cooperation with the Republicans.

According to Karasin, there was nothing surprising or extraordinary in the fact that the president thought it necessary to place relations with the USA in the center of the foreign policy section of his speech. The diplomat found this quite natural, because it reflected the interest and attention with which the Russian leadership follows the home policy developments in the USA.

The foreign ministry spokesman said the presidential speech clearly demonstrated Moscow's willingness to constructively continue the Russian-American partnership in the new political conditions in Washington.

U.S. Ambassador Pickering Cited on Visit To Vladimir

MM1511132394 Moscow KOMSOMOLSKAYA PRAVDA in Russian 15 Nov 94 p 3

[Report by correspondent Tatyana Filippova: "What U.S. Ambassador Wants in Vladimir"—from the DELOVOY VTORNIK section]

[FBIS Translated Text] Vladimir—U.S. Ambassador Thomas Pickering has paid a visit to Vladimir. The ambassador was specifically interested in the entry into the market economy of the Vladimir Tractor Plant, which was recently the secret "Vektor" design bureau, where high-precision instrument-making equipment was produced. What prompted such keen interest in Vladimir's economic problems? The ambassador said in reply to this question: The "Business for Russia" government program devised in the United States envisages assistance to Russian enterprises. Vladimir Oblast is one of the eight regions in the country to which this aid will be extended.

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Churkin: All Aspects of NATO Membership Must Be Considered

LD1411173194

[FBIS Editorial Report] Moscow Ostankino Television First Channel Network in Russian at 1452 GMT on 14 November broadcasts the "Novosti" newscast, which includes the "World Today" slot presented by Oleg Morgunov. It consists of a roundup of European news and a two and a half minute interview with Russian Ambassador to Belgium Vitaliy Churkin, a new Russian representative in NATO.

Speaking about his mission in Belgium, Churkin says that "in Brussels I will be dealing with Russia's relations with Belgium, NATO, and the Western European Union. Speaking about Russia's membership in NATO, Morgunov says that the Russians were split in their approach to the issue of Russia's membership—communists believed that NATO was a potential enemy and a threat to peace and security in the world; some believed that Russia should join NATO as soon as possible and change its image; and there were also those who believed that NATO should cease to exist, like the Warsaw Pact. "Our political leadership has yet to make a decision on whether Russia should join NATO," Churkin says, and added that this topic should be widely discussed in Russia's political circles and by its people. He says that "many aspects of this complex issue are yet to be examined. For example, we are not totally indifferent to the security of our friends and partners in the CIS. I will cite here a Ukrainian example. I am under the impression that now that the wave of political passions aroused by the presidential elections has subsided in Ukraine, serious-minded people are beginning to wonder what effect NATO's expansion to the East might have on Ukraine's security."

Concluding the subject, Morgunov says that since the process of accepting new NATO members proceeds slowly, Russia has plenty of time for taking a decision that would "protect our interests and make NATO a more open organization."

Official Describes Russia's International Arms Trade

LD1511133194 Moscow ITAR-TASS in English 1311 GMT 15 Nov 94

[By ITAR-TASS diplomatic correspondents Nikolay Geronin and Dmitriy Gorokhov]

[FBIS Transcribed Text] Moscow November 15 TASS—Proceeding from its own economic interests, Russia is putting its armaments on world markets of arms. Russia's business in armaments in the Asia-Pacific market is not limited to its recent contract with malaysia to supply it with fighter-planes. Russia is about to conclude agreements on arms sales with Thailand, Indonesia, Vietnam and a number of other countries, Aleksandr Panov, Russian deputy foreign minister said on Tuesday.

Speaking at a meeting of the council on the foreign policy at the Russian Foreign Ministry on Tuesday, Panov said that Russia strictly adheres to the principle of selling only defensive arms. Moreover, Russia sells these armaments in the amount that would not upset the existing balance of forces in some or other region. Every deal is reported to the United Nations register which ensures the transparency of trade operations. Russia also proceeds from the view that the existing bilateral arrangements should not be disrupted as a result of the trade in arms.

Russia is no longer viewed as a menace in the Asia-Pacific region, Panov said. Ever more countries, above all countries that are not very large, favour Russia's presence in the region, also military presence. They believe it is necessary for the maintenance of a stable balance of forces, Panov said. The upshot is that with taking into account the military-strategic situation in the region, Russia's Far Eastern military potential should be preserved at an appropriate level, Panov said.

Panov declared in favour of creating a regional mechanism of security in the Asia-Pacific region acceptable to all countries. He said that this process should proceed stage-by-stage and has many variants. Specific features of bilateral relations and alliances should be taken into consideration. Local arrangements should be spread to become zonal, he said.

Loan Agreements Reached With World Bank, U.S. Bank

MM1411163794 Moscow IZVESTIYA in Russian 12 Nov 94 p 1

[Report by Vladimir Nadein: "Russia Gets Two Very Different, But Very Necessary Loans From the United States"]

[FBIS Translated Text] For the first time the World Bank has given Russia a loan specially for environmental protection measures. The $110 million have been granted on condition that $45 million will be allocated for the same purpose by the new Russian private structures and another $90 million will be provided by the United States, the European Union, and other countries as a gift.

These amounts have more of a symbolic significance when it comes to a vast country like Russia, so badly poisoned by industrial waste. According to World Bank figures, the air quality in 43 Russian cities is a danger to the health of the inhabitants.

Awareness of the major discrepancy between the allocated funds and the urgent tasks is so great that the loan plan envisages confining its use to the Lower Volga, North Caucasus, and Ural regions.

Unlike the World Bank loan, another credit that has just been made available to the Russian "Gazprom" by the U.S. Export-Import Bank is not bound by particularly

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tough conditions. Some $750 million will henceforth be available to finance purchases of U.S. equipment and services.

The memorandum of understanding whereby the Export-Import Bank opened the new credit line for "Gazprom" was signed by Bank President Kenneth Brody and "Gazprom" Chairman Rem Vyakhirev.

"This memorandum establishes a clear-cut working relationship between the Export-Import Bank and 'Gazprom,'" Kenneth Brody said at the signing ceremony. "'Gazprom' is the world's biggest producer of natural gas. It is a very attractive market for small and medium U.S. exporters who want to do business in Russia. This not only means more jobs for Americans, but will encourage 'Gazprom' to make more efficient use of the vast reserves of natural gas in Russia."

Delegation Heads Set Out Plans for Alpha Station

MM1411153994 Moscow IZVESTIYA in Russian 12 Nov 94 p 2

[Report by Sergey Leskov: "Engineers, Not Bureaucrats Build International Space Station"]

[FBIS Translated Text] Yuriy Koptev, general director of the Russian Space Agency, and NASA Director Daniel Goldin have admitted that during their latest meeting in Moscow they, as delegation leaders, did not overexert themselves particularly. And this is a good thing. Work on the "Alpha" international space station has switched from the level of bureaucratic agreements to the hands of specialists.

According to Yuriy Koptev, the actions of both sides are fully coordinated until 1997, when the first phase of the construction of the station will end. The first approach to a distance of 10-15 meters between the Russian "Mir" station and the American Space Shuttle is scheduled for 2 February 1995. The first docking will take place 10 June. After this there will be another six dockings—26 October of the same year, 20 March, 31 July, and 5 December 1996, and 15 May and 11 September 1997. In all, the American astronauts will work on the Russian station for two years. The joint research on board "Mir" will cost the United States $334 million.

The Americans were worried not only about the timetable, but also about the reliability of the Russian docking mechanism, which displayed shortcomings during the latest space operations. But Daniel Goldin himself said that the engineers had found an acceptable solution.

Russia will produce a functional-cargo unit for the "Alpha" station, as well as a service module (on the basis of the "Mir-2" planned earlier), a scientific and power platform, a universal docking module, and three modules for scientific experiments. Our partners are most interested of all in the functional-cargo unit, which, in view of its importance for the whole structure, is to be put into orbit first.

The Khrunichev State Space Science and Production Center is making the functional-cargo unit on a separate contract worth $250 million. As Anatoliy Kiselev, general director of the enterprise, disclosed in a private conversation, his specialists are suggesting that the amount of the contract be increased significantly in order to produce a backup unit [blok dubler] by way of insurance against any unforeseen events. In any case, the launch of the functional-cargo unit is scheduled for November 1997.

The construction of the "Alpha" station actually in orbit will begin as of this date. The whole functional-cargo unit complex must be established by November 1998. The full construction of the station will require five years and 80 space launches. The transport systems of all the participants in the project will be used. On the Russian side, this means the "Soyuz," "Proton," and "Zenit" launch vehicles.

The Russian segment of the station will be run by the mission control center in Kaliningrad near Moscow. On completion of the construction, strategic planning will be conducted from Houston, but our mission control center will also be involved in operational tasks. Joint training at the Russian and American control centers is already being conducted.

Operation of the station is to be funded via mutual payments in the light of the use of national segments of the international station. This question is fundamental with regard to determining the owner of output obtained from the station. International law specialists note the fact that Russian legislation has nothing to say on this subject and there is a danger that all of "Alpha's" output will go to the general sponsor, that is, the Americans. Yuriy Koptev is confident that an intergovernmental agreement will be signed in March-April 1995 and will be reinforced by a memorandum between the Russian Space Agency and NASA.

U.S. Donates Submarine Dismantling Equipment

MM1411141794 Moscow KRASNAYA ZVEZDA in Russian 12 Nov 94 p 5

[Report by Vladimir Gundarov: "Russian Submarines Will Perish in the Jaws of American 'Sharks'"]

[FBIS Translated Text] Representatives of the U.S. State Department and various American firms have visited the "Zvezdochka" science and production association and the "Nerpa" ship repair plant defense enterprises in Arkhangelsk and Murmansk Oblasts. There they installed special technological equipment which was given to Russia free of charge for the purposes of dismantling and salvaging nuclear submarines.

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As Nikolay Zlaman, deputy director of the "Nerpa" ship repair plant, informed us, the equipment includes a powerful cutting device, dubbed "shark's jaws" by the ship repair workers. The "sharks" are even capable of cutting through 120 mm thick iron structures. The Americans will assemble the equipment, carry out set-up and start-up work, and train Russian specialists to operate the new equipment.

Chernomyrdin Visit to UAE 'Will Take Place in Full'

LD1511094894 Moscow ITAR-TASS World Service in Russian 0905 GMT 15 Nov 94

[By ITAR-TASS diplomatic correspondent Yuriy Tyssovskiy]

[FBIS Translated Text] Moscow, 15 Nov—The embassy of the United Arab Emirates in Moscow categorically denies rumors being circulated by some Russian mass media claiming that the visit by Viktor Chernomyrdin, chairman of the government of the Russian Federation, may be postponed. It will take place in full according to the program outlined earlier." [quotation mark as received] The United Arab Emirates Embassy relayed this official report to the ITAR-TASS correspondent today.

A senior staff member of the embassy stressed that the rumors, gleaned by Arabic diplomatic sources, "in no way correspond to the truth and are absolutely unfounded."

Kozyrev Arrives in Paris on Official Visit

LD1411211494 Moscow ITAR-TASS in English 2050 GMT 14 Nov 94

[By ITAR-TASS correspondent]

[FBIS Transcribed Text] Paris November 14 TASS—Russian Foreign Minister Andrey Kozyrev arrived in Paris on an official visit on Monday. The Russian foreign minister will meet with the French president, the French prime minister, the French foreign minister, other French leaders and the UNESCO secretary general.

Andrey Kozyrev is expected to take part in the meeting of foreign ministers of Russia, France and Great Britain to discuss issues of international and European policy.

'To Strike Rapport' on European Issues

LD1411164694 Moscow INTERFAX in English 1423 GMT 14 Nov 94

[FBIS Transcribed Text] The main task of Russian Foreign Minister Andrey Kozyrev's visit to Paris, starting on February [as received] 14, is to try to strike rapport with France on European issues ahead of next month's NATO Council session in Brussels and the CSCE summit in Budapest.

Russian diplomats in Moscow told Interfax that the future of the CSCE would come high on the agenda of Kozyrev's talks in Paris.

The Russian Foreign Ministry believes Europe is on the threshold of serious events which may lead to a rapid incorporation of Eastern and Central Europe into NATO. If this happens, NATO as a politically and militarily powerful organization will overlap the CSCE, leaving Russia as the only country on its border.

A senior Russian diplomat said France, more than any other European country appears to be sharing the idea of a larger CSCE role as a body uniting all European countries and designed to resolve continental issues. Kozyrev intends to start work in Paris so as to turn the CSCE into a more workable regional organization and to help its December summit pass more effectively.

The diplomat said that Russian uranium exports is another question the minister will discuss in Paris given France's opposition to an increase in Moscow's export quota in this area. Paris wants this figure to either remain intact or lowered, he said.

May Announce Russia-NATO Program in Dec

LD1411213794 Moscow ITAR-TASS in English 2117 GMT 14 Nov 94

[By ITAR-TASS correspondent Aleksandr Mineyev]

[FBIS Transcribed Text] Brussels November 15 TASS—Russian Foreign Minister Andrey Kozyrev may announce a Russia-NATO partnership program on December 2, 1994, Vitaliy Churkin, newly appointed Russian ambassador to Belgium, said on Monday.

Churkin will also represent Russia in North Atlantic Treaty Organization and the Western European Union.

He noted that apart from the individual plan of cooperation within the framework of Partnership for Peace program, the new scheme will include a component reflecting Russia's weight and responsibility as a great power.

He said that his talks with NATO officials confirmed that NATO is "open and ready for contacts on all issues concerning the present and the future of NATO and its relations with Russia."

'Expert' on Kozyrev Visit to France

LD1411165494 Moscow ITAR-TASS in English 1552 GMT 14 Nov 94

[By ITAR-TASS diplomatic correspondent]

[FBIS Transcribed Text] Moscow November 14 TASS—Russia and France are going to sign this week an agreement envisaging French assistance in the construction of a storage for hydrogen-containing materials. The agreement is to be signed during an official visit of Russian Foreign Minister Andrey Kozyrev to Paris.

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Moscow also hopes for the stoppage of restriction on trade in nuclear goods in which Russia and France compete. The Russian side believes that there must be a gradual transition to a free-trade zone in Europe. Russia's relations with the European Union will loom large at the negotiations in Paris in view of the fact that France will assume the duties of the chairman in the European Union as of January 1, 1995, a high-ranking Russian expert told ITAR-TASS.

At least two more circumstances make Kozyrev's visit to Paris particularly timely in political respect. Russian experts on foreign politics point out that Europe is about to make very serious decisions in connection with a session of the NATO Council at the level of foreign ministers to open early in December in Brussels and a subsequent summit of the participating countries in the Conference on Security and Cooperation in Europe (CSCE), to be held in Budapest. It is also important that canvassing has already begun in France as the presidential elections are to be held next spring.

The Russian foreign minister is expected to have conversations with main representatives of the top echelon of power headed by Francois Mitterrand. This is ever more important in view of the fact that there is a pause in relations between Moscow and Paris at present. Boris Yeltsin intended to have a conversation with the French president in Naples in July, but that intention has not been realised. The Russian president and the prime minister have invitations to Paris, but in view of the circumstances in Moscow and Paris these visits will hardly be possible in near future. So Andrey Kozyrev's visit is to disrupt the pause.

Regarding the elections to be held in France, Moscow is interested that "mutual understanding be preserved between the two countries regardless of the outcome of the elections", the expert told ITAR-TASS. Regarding the subjects likely to be discussed in Paris, he gave priority to Moscow's concern over the fact that the United States and Germany ever more insistently declare for a blanket widening of NATO. It is sought to draw east European countries into NATO without waiting for the implementation of the "Partnership for Peace" program, the expert said.

Due to such developments NATO would emerge on Russia's doorstep, the expert said. The new NATO "super-organization" would, moreover, crowd to the background the Conference on Security and Cooperation in Europe (CSCE), in whose establishment Moscow and Paris played the leading role. Therefore one of the objectives of the visit is to discuss the ways of consolidating CSCE in the runup to its Budapest summit.

As far as major international problems are concerned, Moscow and Paris have coinciding goals as regards settlement in the Persian Gulf. Russia and France have similar positions on the Bosnian crisis. "Our understanding on the Yugoslav problem continues", the Russian expert said. He said the sides share the concern over the United States' decision unilaterally to lift control on the observance of the embargo on arms supplies to Bosnia.

Further Comment on Kozyrev Visit

MM1511090794 Moscow IZVESTIYA in Russian 15 Nov 94 p 3

[Report by Yuriy Kovalenko: "Andrey Kozyrev Flies to Paris To Hear Out Mitterrand and Listen to Aznavour"]

[FBIS Translated Text] Paris—Andrey Kozyrev begins his visit to France 15 November by unveiling a monument to Andrey Tarkovskiy at the Russian cemetery in Ste. Genevieve des Bois where the director is buried and will end it by participating in a tripartite meeting with the heads of the Paris and London foreign policy departments. Our minister will meet with the main political and parliamentary leaders and with the 1995 presidential contenders. He may be received by Francois Mitterrand and, last, will sign a bilateral agreement on the construction of a warehouse for hydrogenous materials near Novosibirsk. Andrey Kozyrev also expressed a desire to attend a concert by Charles Aznavour—the 70-year old veteran French singer, untouched by the ravages of time.

This will be a musical interlude in the four-day visit, during which there is every indication that the minister will try to extricate Franco-Russian relations from their state of torpor and revive the once privileged relationship that united Moscow and Paris for decades.

What has happened? Why have the "pioneers of detente"—as French and Soviet leaders called their countries in the past—lost interest in one another? Why have dozens of agreements full of good intentions effectively remained a dead letter and why are accords reached at past summits not being imbued with concrete substance? What are the reasons for the collapse in the trade and economic sphere?

As always a great deal can be ascribed to objective factors. French diplomacy, the prominent political scientist Gilles Martine [surname as transliterated] stressed, was the main victim of the fall of communism.

French masters at building bridges with the East and playing the subtle game with the socialist bloc, in which Paris was always able to score points and successfully opposed Washington itself, have ended up out of a job. The policy of detente, accord, and cooperation on the eastern front proclaimed by General de Gaulle gave France an opportunity to successfully play the Soviet card and gave it an aura of independence.

Those days have gone forever. We still have kind feelings for one another, but the skilfully roused intoxicating euphoria of detente has been dispelled. Local political scientists stress that at the current stage in history Russia and France do not for various reasons hold the same political and economic interest for one another.

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France's priorities have changed today, and as a result the Russian factor has been relegated to the back burner. And the new generation of politicians here, although they call themselves Gaullists, do not seem to be overly interested in Russia.

The special relationship with France enabled Moscow too during the "Cold War" years to break its foreign policy isolation and sow the fond illusions of peaceful coexistence between states with opposing socioeconomic systems.

The political accord cemented year in year out at summits acted as the foundation for economic cooperation. But in 1991-1992 it collapsed. Since then France has not even been among our top five trading partners, and it is not even in the top 10 in terms of investment.

The Russian export structure is still based on power supplies, but imports from France have changed dramatically. Whereas in the past industrial equipment made up two-thirds of these imports, now around half is food and another 15 percent or so are consumer goods. But even all that represents miserly amounts. All the former Soviet republics, including the Baltic, now account for just 1 percent of French exports.

Our side is willing to attribute this to the very essence of French capitalism, which, they say, is not keen on taking risks, prefers the safe existence of a rentier, and is more prepared to deal with centralized structures. The French respond by saying that they are indeed reluctant to rush headlong into the murky maelstrom of Russian business in the absence of political stability and amid legal chaos.

Moreover, Moscow dragged out for a long time the appointment of the cochairman of the Russian-French Council for Economic, Financial, Industrial, and Trade Cooperation, which has been unable to start work for two years now. Oleg Soskovets was finally appointed and there is now hope that the council will convene in Paris in mid-December.

There is another element that is not promoting the development of bilateral relations. Namely the "incompatibility" between Francois Mitterrand and Boris Yeltsin, to which people in both capitals cautiously refer. It is said that Boris Nikolayevich prefers the company of the sociable Helmut Kohl rather than the company of a cold intellectual like Francois Mitterrand.

In contacts with the press Russian diplomats are not inclined to overdramatize the situation and put a brave face on it. They are putting their faith in an increase in dialogue lower down the line. At Foreign Ministry level consultations are increasing on a whole range of international problems. Successful military cooperation is continuing. Our parliamentarians and ministers are exchanging visits. The French are prepared to help us train state cadres.

There are also points of contact in foreign policy. Namely the settlement of the Yugoslav conflict and lifting the embargo on Iraq, which affects the interests of our two countries. Together Moscow and Paris may be more successful in putting the brakes on the U.S. desire for world hegemony and German claims to European leadership.

Nevertheless in the current situation there will hardly, in my view, be a fundamental change in bilateral relations. There would be incomparably more chance of success were the initiative to come from the very top. However one evidently should not count on that at this stage, when France is preparing for a change of president and Russia is plunged into its own domestic political chaos.

Milosevic Receives Russian Envoy Zotov

LD1411200094 Moscow ITAR-TASS World Service in Russian 1910 GMT 14 Nov 94

[By ITAR-TASS correspondent Aleksandr Kondrashov]

[FBIS Translated Text] Belgrade, 14 Nov—Today Republic of Serbia President Slobodan Milosevic received Aleksandr Zotov, special envoy of the Russian president, who arrived in Belgrade on a routine mediating mission.

A brief official report says that "topical events in the region and the directions of joint efforts aimed at strengthening a peace process" were discussed at the meeting.

According to informed sources, attention was concentrated on examining the situation in the region after the U.S. Administration refused to take part in enforcing the embargo on arms supplies to the Bosnian Muslims. Also, the Russian and Serb sides' positions were discussed prior to the new sitting of the international "contact group" on Bosnia scheduled for the 17 November. Problems in the process of normalizing Serbo-Croatian relations, which had once again become complicated, were touched upon.

MFA Will Not 'Dramatize' End of Bosnia Embargo

MM1411183194 Moscow IZVESTIYA in Russian 15 Nov 94 p 3

[Report by Maksim Yusin: "Will Flag of St. Andrew Be Raised Above the Adriatic? In Spite of Duma Deputies' Wishes, Russian Ships Are Unlikely To Set off for the Shores of Former Yugoslavia"]

[FBIS Translated Text] The emotional reaction of State Duma deputies to the most recent steps by the U.S. Administration in the Balkans contrasts sharply with the Foreign Ministry's imperturbable calm.

On Smolensk Square they prefer not to dramatize the U.S. decision to end monitoring of the implementation of the embargo on the supply of arms to Bosnia. "The Americans are declining to observe commitments that they voluntarily took upon themselves. From a legal

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viewpoint we have no complaints against Washington until the Americans announce a unilateral end to sanctions. As far as I know, we have not yet reached such a point," a diplomat responsible for the Balkan area at the Foreign Ministry told IZVESTIYA. "It was a lot to expect of the United States that, after its unsuccessful attempts to get the embargo on weapons supplies to the Muslims lifted, it would continue to use its ships to monitor its implementation. That is tantamount to demanding that Russia send its Navy to Yugoslavia's shores to ensure that sanctions are implemented when we are trying to get them lifted."

One of the most important tasks for Russian diplomacy is to persuade Washington not to stop maintaining the embargo. If that happened, Russian-U.S. relations could become strained: Kozyrev and Yeltsin would find it difficult to oppose pressure from the Duma if it unilaterally demanded that sanctions against Yugoslavia be lifted and military deliveries started to Belgrade and the Bosnian Serbs.

In its dispute with Washington, Moscow is hoping for support from West Europe—first and foremost from France and Britain, which do not agree with the U.S. stance on lifting the embargo. The Bosnian situation will be the main topic at the meeting to take place this Friday in Paris between Andrey Kozyrev and his French and British colleagues Alain Juppe and Douglas Hurd.

The proposal voiced at the Duma last week to replace U.S. ships off former Yugoslavia's coast with Russian ones was received with skepticism at the Foreign Ministry. First and foremost because it is not the United Nations which finances such operations but the states themselves which have come up with the initiative. It is unlikely that the president and the Federation Council, which according to the Constitution decide whether or not to send Russian troops abroad, will agree to meet the additional extremely large expense, given the country's economic situation.

So it is unlikely that ships flying the St. Andrew's ensign will honor the Adriatic with their presence, not having appeared there since the beginning of the century.

Iranian News Agency Head Holds Talks in Moscow

LD1011220894 Moscow ITAR-TASS World Service in Russian 1409 GMT 10 Nov 94

[By ITAR-TASS diplomatic correspondent Yuriy Tyssovskiy]

[FBIS Translated Text] Moscow, 10 November—"The flow of information between Iran and Russia is like a river in which, however, one also encounters shallows and narrows. It is our joint task to clear these away so that the peoples of our two countries can receive correct and precise reports about each other." This colorful comparison was used today by Fereydun Vardinezhad, president of the Iranian press agency, IRNA, in his conversation with Sergey Gryzunov, chairman of the Russian Federation Press Committee. He expressed his desire to receive via the mass media as full a picture as possible of Russian life which, he said, was of interest to Iranians. An IRNA coordinating center is being set up in Moscow with this aim; it will cover events not only in Russia but also in the republics of the CIS, mainly the Central Asian republics.

The Iranian guest said that he was satisfied with his other talks today in the ITAR-TASS agency with its General Director Vitaliy Ignatenko. The sides agreed to expand information cooperation and the training of technical personnel. Our countries, he said, have the desire to achieve closer cooperation in the sphere of information in the Caspian region. After Moscow I shall be going to Baku where I shall hold talks with my Azerbaijani colleagues. If they are successful, our trilateral agreements will form the backbone of an exchange of information between the five Caspian republics.

Sergey Gryzunov gave a positive assessment of the idea of setting up an information pool for the countries of the Caspian zone. He said that the committee would act on this matter in contact with ITAR-TASS. He also supported the idea put forward by the Iranian official to expand the exchange of press workers between the two countries and their publications. Although there are certain economic difficulties in the way, Sergey Gryzunov stressed, I think that they are quite surmountable by joint efforts.

Failure To Evaluate Azerbaijan's Oil Policy 'Deplored'

LD1411165394 Moscow INTERFAX in English 1457 GMT 14 Nov 94

[From the "Diplomatic Panorama" feature: reports by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov and others]

[FBIS Transcribed Text] A high-ranking member of Russia's Foreign Ministry has deplored the Russian government's failure to evaluate Azerbaijan's actions concerning the Caspian Sea "clearly and unambiguously". "Had such an assessment been made, Baku would have behaved more cautiously and refrained from unilateral actions," he told Interfax's correspondent on Monday.

In comments on the reports from sources in the Azeri government to the effect that last Saturday Azerbaijan's oil company signed an agreement with Iran's Oil and Gas Ministry on transferring 25% of its stock in the international consortium for developing oil fields on the Caspian shelf to Tehran, the diplomat said that the Russian Foreign Ministry "has no official information on this score so far."

"It's quite possible that this is just a "canard Baku launched for the purpose of easing tensions surrounding the notorious oil contract," he noted.

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It's common knowledge that as soon as the contract concerning the Caspian Sea was signed in Baku on September 20, Russia's Foreign Ministry declared that Moscow does not recognize the document, since it was signed without taking the interests of other countries adjoining the Caspian Sea into account, and in contravention of the Caspian Sea's present legal status.

Nevertheless the Foreign Ministry official said that the reports concerning the transaction between Azerbaijan and Iran may be true.

"According to some information, the possibility of Iran's participation in the development of Azeri oil fields was discussed at one time. But evidently, under pressure brought to bear by the American oil companies, which play the leading role in the international consortium, Iran was not allowed to join the project," the diplomat explained. "Later however Tehran continued to look for possible loopholes."

According to the diplomat, the problem of using Caspian Sea resources must be considered on a long-term basis. "It's one thing when the coastal countries tackle this business together, seeking to safeguard the Caspian Sea's ecology, and quite another, when third countries get involved in the development of oil fields. What interests the American, British or Norwegian companies involved in the consortium, is to pump oil, and the circumstance that the Caspian Sea may turn into a swamp as a result, with its unique sturgeon species perishing, is, naturally, of little concern to them," he pointed out.

According to the diplomat, "it will be quite logical for Iran to join the consortium proceeding from its national economic interests." "However in the long-term perspective the hunt for immediate profit is not always sensible and justified," he said.

"If the reports concerning the Iranian-Azeri agreement reflect a real state of affairs, this is simply a payoff," another high-ranking Foreign Ministry official, who specializes in international law, told Interfax.

According to him, "Baku simply threw a bone to Tehran to induce it to revise its attitude and support Azerbaijan's claims to part of the Caspian Sea shelf." "The Russian company LUKoil was given 10% of the consortium's stock to create a semblance of Moscow's support for the transaction. Now a bigger piece has been thrown to Iran - 25%. But what is behind all this in practical terms is attempts to gain, for some payment, recognition for the actions taken by Azerbaijan for the purpose of appropriating substantial areas in the Caspian Sea," he pointed out.

"Iran," the diplomat said, "initiated and authored the project for regional cooperation, which provides for carrying out all kinds of activity in the Caspian Sea without limitations and without appropriating its areas by one adjoining country or another."

"Now Tehran is facing a dilemma - either to be lured by the 25%, which evidently make up a substantial amount, or remain faithful to its principled stand taken previously," he concluded.

Mulatov on Russo-Japanese Economic Cooperation

OW1411123994 Moscow Voice of Russia World Service in Japanese 1100 GMT 12 Nov 94

[Commentary by Yuriy Mulatov]

[FBIS Translated Text] A Russo-Japanese gubernatorial meeting was held at Niigata in Japan this week. Representatives from five districts in the Russian Far East region and governors of 16 Japanese prefectures attended the meeting. In this regard, please listen to comments by Yuriy Mulatov, commentator of the Voice of Russia.

I am sure there is no need to prove that Russia and Japan are neighboring countries and that they are interested in strengthening stable economic cooperation at the regional and national levels. At the bilateral gubernatorial meeting in Niigata, it was pointed out that, recently, Japanese companies have been restraining their desire to make inroads into the Russian Far East. There are more American, South Korean, German, and Singaporean companies than Japanese companies in the Far East.

At the meeting, Russia proposed 26 large-scale investment projects, all beneficial to Japanese companies. But Japanese companies still have not responded to this new proposal. Moreover, Japan now exports 16 percent of its products to Russia. But only 17 percent of foreign loans granted to the Russian Far East are from Japan. Needless to say, Russia is not satisfied with such a situation, because Japan is a leading figure among foreign partners, to which Russia exports lumber from the Far East, oil, and other raw materials.

What are the obstacles to dynamic, stable, and large-scale economic cooperation between Russia and Japan? It is said in Japan and other countries in the Asia-Pacific region that everything lies within the scope of economy. In other words, everything lies within the scope of territorial issues. Regarding a territorial issue, Japan's YOMIURI SHIMBUN recently interviewed Premier Chernomyrdin and wrote as follows: Premier Chernomyrdin said that the territorial issue is a difficult issue for the Japanese people and the Japanese Government. But it is an even more difficult issue for the Russian people.

Premier Chernomyrdin clearly said that Russia and Japan have to continue discussions regarding the issue of the four islands—Etorofu, Shikotan, Kunashiri, and Habomai—on the basis of the Tokyo Declaration, which was signed last year when President Yeltsin visited Japan. It seems to me, commentator Mulatov, that there is no need to make further reference to the most difficult of all problems that exist between Russia and Japan.

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More important for the time being is to clarify the prospects of economic cooperation between the two countries.

A Russian Government delegation led by First Deputy Premier Soskovets will visit Japan late this month. It seems that the delegation will promote campaigns for the mutual benefit of both countries.

Greek Minister's Visit 'Extremely Successful'

LD1411165694 Moscow ITAR-TASS in English 1549 GMT 14 Nov 94

[By ITAR-TASS correspondent Yuriy Malinov]

[FBIS Transcribed Text] Athens November 14 TASS—Greek Minister of Public Order Stilianos Papathemelis who returned home after completing his visit to Moscow, described the visit as extremely successful. However, he declined to give details of his contacts with representatives of Russian secret services, the TA NEA newspaper reported today. The newspaper quoted him as saying that the less terrorism is talked about, the easier it would be to fight against it.

The Greek minister said that in spring, 1995 the Russian interior minister would arrive in Athens to sign an agreement on cooperation between the two countries, which envisages, in particular, an exchange of information in the field of combating terrorism. The Greek minister dismissed scenarios alleging that Greece buys Russian helicopters to recompense for Russia's information about Greek terrorists, as "the result of someone's imagination."

During the visit the Greek minister turned to the Russian authorities asking to turn over to the Greek anti-terrorist service documents from KGB archives which might concern the activities of Greek Terrorist organisations. High-ranking officials of the Greek anti-terrorist service believe that studying the documents from the archives of Russian secret services might yield positive results, the TA NEA newspaper said.

During Papathemelis' visit to Russia the Russian authorities promised to exchange information about terrorists at their disposal and which was characterized as important, the TA NEA said in conclusion.

Portuguese Trade Minister on Debt Repayment

LD1411222694 Lisbon RTP Internacional Television in Portuguese 1900 GMT 14 Nov 94

[FBIS Translated Excerpt] Russia has promised to repay all of its outstanding debts to Portugal. The sum involved is about 15,000 million escudos, and the promise was made in Moscow today. Our correspondent Carlos Fino reports:

[Begin recording] [Fino] With the Russians promising to repay their outstanding debt, Portugal's suggestion is that a line of credit be set up to give incentive for bilateral relations. This is the main subject of the talks which Faria de Oliveira, Portugal's minister of trade and tourism, who leads a delegation of 22 businessmen and bankers, began today here in Moscow. His immediate interlocutor is the Russian deputy minister of foreign trade:

[Nikolay Drovdov, identified by caption] We have already earmarked half a billion dollars for this year's repayments to our creditors, and we expect to liquidate the debt in full by the end of next year. [end recording]

[Fino] There is a Russian saying that promises usually take three years to fulfill. Be that as it may, the Russian official's words created a pleasant atmosphere for the talks on commence, and Faria de Oliveira was on the same wavelength:

[de Oliveira] There is the expectation that at least the general terms for a financial agreement may be established during this visit. [passage omitted]

[Fino] Bilateral cooperation may soon increase substantially. Besides strategic areas such as the use of Russian rockets to place Portuguese satellites in orbit, Portugal can find markets here for many more of its traditional exports, and could even invest in the creation of mixed companies in sectors, such as energy.

Faria de Oliveira has a meeting scheduled for tomorrow with one of Russia's strongest deputy prime ministers. He will then be able to say if all of this amounts only to projects on paper or to realities beginning to rise on the horizon of bilateral relations. [end recording]

CSCE Minsk Group for Karabakh To Define Mandate

LD1511114694 Moscow INTERFAX in English 1051 GMT 15 Nov 94

[FBIS Transcribed Text] Russia expects the two day meeting of the nine member-countries of the Minsk group of the CSCE for Nagorno-Karabakh opening in Moscow Tuesday to regulate the operation of the group, in particular define its mandate, the Russian presidential envoy for Karabakh Vladimir Kazimirov told Interfax Tuesday.

Besides, he said, it would be useful to analyze the work of the group, its achievements and failures and single out the most important in order to concentrate on the solution of the central questions in the future instead of dissipating its energies.

Kazimirov said that the Swedish diplomats, members of the presidium of the Minsk group, will tell representatives of nine countries (the USA, France, Sweden, Italy, Turkey, Hungary, Belarus, Russia and Germany) about their visits to the Caucasus. He said Russian diplomats would report on the Moscow talks on a large-scale political agreement on Karabakh.

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Answering the question why the Minsk group does not meet in full (Armenia, Azerbaijan and Nagorno-Karabakh will be absent) Kazimirov said this was the decision of the Swedish presidium which stemmed from the absence of time for a full-scale meeting because on November 18 Budapest will hold a session of the committee of CSCE senior officials.

Kazimirov stressed that Russia wanted the group to meet in full.

Moscow Talks on Karabakh Shed Light on Issues

LD1511115394 Moscow INTERFAX in English 1051 GMT 15 Nov 94

[FBIS Transcribed Text] The third round of talks on a large-scale political agreement on Nagorno-Karabakh that ended in Moscow Monday "demonstrated a clearer approach of the sides to the most difficult issues", the Russian presidential envoy for Karabakh Vladimir Kazimirov told Interfax Tuesday. At the talks he represented Russia which acts as mediator.

"We concentrated on the key aspects of the settlement: the liberation of occupied territories, the return of refugees and security," Kazimirov stressed.

"As for the text of the full-scale agreement, frankly speaking we simply ran out of time and only briefly went through it, even not to the very end," the diplomat admitted.

Meanwhile, a source close to the Karabakh delegation believes that the talks were fruitless. On key matters the sides did not come closer a bit, the source informed Interfax. In its opinion it was the most fruitless of the three rounds.

According to the source, Azerbaijan still insists on including in the agreement a provision on the liberation from Armenians the towns of Shusha in Karabakh and Lachin through which the only road linking to Armenia goes. Azerbaijan is keen only on the return of territories, without offering any guarantees of security to Nagorno-Karabakh, the source claimed.

Besides, Baku insists on the participation of the Azeri community of Karabakh in the talks and on including a clause on the term of the agreement. This might result in Azerbaijan again seeking armed ways of settling the conflict after it gets back Armenian occupied territories, except Shusha and Lachin, the source claimed.

In the opinion of the source the Azeri stand at the talks has grown tougher primarily because now Baku counts more on the CSCE.

Nationalities Minister Addresses Georgian Deportees

LD1411201194 Moscow ITAR-TASS in English 1937 GMT 14 Nov 94

[By ITAR-TASS correspondent Yekaterina Zhilyakova]

[FBIS Transcribed Text] Moscow November 14 TASS—Russian Minister of Nationalities and Regional Policy Nikolay Yegorov described the deportation of the people from southern regions of Georgia in autumn 1944 as "lawlessness and infringement on all juridical and moral norms, humilitating their national pride" in an address to the people circulated by the press service of the ministry on Monday to mark the 50th anniversary of forcible resettlement at the period of Stalin's rule.

The historic truth is that representatives of resettled people alongside many others actively fought against fascism, selflessly worked in exiles, making their contribution to the development of the economy, the address said. The minister pointed out that accusations which dismissed the resettled people as "unreliable" were groundless.

Dwelling on the process of the return of the deported people to their native lands, the minister described this process as "procrastinated." In his opinion, this can partially be accounted for by tragic events in Fergana in the 1980s and the disintegration of the former Soviet Union, which practically led to another resettlement.

The minister referred to the movement for repatriation as an international problem demanding coordinated efforts from the Governments of Russia, Georgia and other countries. He expressed the hope that "under conditions of democratic transformations going on in states building societies on the legal basis," this problem will be resolved, taking into account interests and aspirations of the deported people.

Baltin on Resolving Black Sea Fleet 'Problem'

LD1511115894 Moscow INTERFAX in English 1051 GMT 15 Nov 94

[FBIS Transcribed Text] Before resolving the Black Sea Fleet problem Russia and Ukraine must decide whether they are military allies or temporary partners. Such is the new approach of the Fleet Command to the question of dividing the fleet which the Fleet Commander Admiral Eduard Baltin is ready to state at parliamentary hearings in Moscow Tuesday.

According to sources close to the Fleet Staff in Sevastopol, the command believes that Moscow and Kiev should define the global, strategic priorities in their relations. If they coincide, the united Black Sea Fleet is ready to continue guarding the southern borders of Russia, Ukraine and the CIS as a whole.

Thus the question of dividing the fleet would disappear by itself, the source stressed.

Belarus Delegation To Arrive for Economic Agreements

LD1411171594 Moscow INTERFAX in English 1538 GMT 14 Nov 94

[FBIS Transcribed Text] Monday evening a governmental delegation led by Deputy Premier Mikhail

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Myasnikovich is to arrive in Moscow from Belarus to prepare a large package of bilateral economic agreements.

Interfax learned from the staff of Russia's Cabinet of Ministers, these documents will be discussed by the two countries' prime ministers, Viktor Chernomyrdin and Mikhail Chegir, at the talks to be held in Moscow on Wednesday [16 November]. On Tuesday Myasnikovich will meet with Russia's Deputy Premier Aleksey Bolshakov, who is in charge of contacts with the CIS countries.

The two prime ministers will discuss the draft of a big treaty on friendship and cooperation, which will come into force when the presidents sign it. They will also consider an agreement on a bilateral customs union.

In accordance with Russia's stand, at the initial stage of implementing the customs union Moscow will be willing to introduce a regime of free trade without limitations, including the cancellation of import duties, provided Minsk refrains from demanding payment for the lease of Russian military facilities located in Belarus.

The package to be endorsed by the prime ministers includes an agreement on converting Belarus's debt to Russia worth 400 million dollars into Russian property in Belarus by means of granting shares of some Belarusian facilities to Moscow. According to Russian government experts, Moscow is interested primarily in obtaining shares which belong to Belarus's gas industry facilities.

Sources in the cabinet predict that at the upcoming talks Minsk will again raise the issue of additional supplies of oil in the amount of 11 million tons, and at the prices used within Russia - about 26 dollars a ton. As for Moscow, it is expected to insist on trade at the world prices, which are now on the level of 109 dollars a ton.

Experts believe that solutions to the problems, which the prime ministers may fail to resolve, will have to be found by the two countries' presidents.

Moscow Reaction to Kaliningrad Demilitarization

LD1411181894 Vilnius Radio Vilnius Network in Lithuanian 1700 GMT 14 Nov 94

[FBIS Translated Text] The Russian Ministry of Foreign Affairs intends to react seriously to the resolution of the Baltic Assembly on demilitarization of the Kaliningrad region, a high-ranking Russian diplomat who wished to remain anonymous told the Baltic News Service correspondent.

This resolution is too serious to be ignored and we are going to react to it seriously as well, a Foreign Ministry official said.

As already reported, the resolution adopted on Sunday in Vilnius by the Baltic Assembly proposes to regard the demilitarization of the Kaliningrad region as a necessary element of the Central European and European security process. The Baltic Assembly appealed to the Baltic Council of Ministers urging to hold an international roundtable conference on demilitarization of the Kaliningrad region and other issues.

The Baltic Assembly resolution on demilitarization of the Kaliningrad region and its future development should be discussed by the Russian Parliament and the Foreign Ministry, the Kaliningrad Administration International Affairs Committee believes. They discussed the Baltic Assembly resolution today.

Yuriy Matochkin, head of the Kaliningrad region left for Moscow today. He will take part in the State Duma discussion on the law on the Kaliningrad region. The text of the Baltic Assembly resolution will be handed in to Matochkin.

It is believed that this text will be presented for debates to the State Duma committees.

Lithuania Restricts Transit of Military Freight

MM1411173194 Moscow KRASNAYA ZVEZDA in Russian 12 Nov 94 p 1

[Report by Senior Lieutenant Oleg Groznetskiy: "Lithuania Introduces Restrictions on Transportation of Military Freight"]

[FBIS Translated Text] The Lithuanian Government has ratified Rules for the Transportation of Dangerous Freight and Military Freight of Foreign States on the Territory of the Country.

The rules ban the transportation through Lithuania of weapons of mass destruction. Furthermore, the transit of military freight by vehicles and aircraft is banned, and military freight may be transported only by railroad. Prime Minister A. Slezevicius stressed that this document is not an agreement with Russia on military transit, but Lithuania's internal rules. Russia, like other foreign states, must pledge to adhere to them in a separate agreement.

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Political Issues

Yeltsin Foresees 'Hardening' of U.S. Policy

MM1511092194 Moscow ROSSIYSKAYA GAZETA in Russian 15 Nov 94 First Edition p 1

[Unattributed report: "Army As Mirror of Russian Life. Boris Yeltsin Defines Need To Maintain Troops' Combat Capability Under Any Conditions As One of Main Tasks for 1995. He Pointed To Need To Implement Measures Under the Plan for Armed Forces Organizational Development"]

[FBIS Translated Text] Boris Yeltsin, supreme commander in chief of the Russian Armed Forces, has made a high assessment of the troops' activity in the previous year and has clarified their tasks for the future. The organizational development and training of the Russian Federation Armed Forces have been carried out under difficult conditions both within the country and in the international arena, he stated, addressing a conference of higher command staff at the Defense Ministry.

The president noted that the positive changes in the international arena do not mean that the problem of the military threat has been removed from the agenda. As a result of our geopolitical and strategic interests we are obliged to make heightened demands regarding troop training, he noted. "In connection with the conservative victory in the U.S. midterm elections, we can expect a certain hardening [ozhestocheniye] by the United States on foreign-policy issues and military problems," Boris Yeltsin believes. The president said that "it is necessary to organize contacts with the Republicans as well, so as to equalize our relations."

The leading staff of the Russian Defense Ministry has done a great deal of work this year, the Russian Federation president noted. In particular, he mentioned among the most important successes of the year the successful troop withdrawal from the countries of the far and near abroad. According to B. Yeltsin's assessment, this was carried out well. The president also noted the high quality of the fulfillment of peacekeeping tasks by the Defense Ministry.

The president noted that this year the Armed Forces have been cut by 385,000 men. They should total 1,917,400 men as of 1 January 1995. The State Duma, he said, needs to complete its work on improving the law on defense.

Among the ministry's shortcomings the Russian Federation president included the slow improvement of the organizational and staffing structure, particularly in the central apparatus. There are also problems with manpower acquisition. The Defense Ministry's efforts in shaping a positive attitude toward the Army in society have also been inadequate. The Armed Forces have not ensured strict responsibility by military leaders for the combat readiness of their subordinates, there are problems with discipline, and losses of weapons and materiel continue. Certain generals and officers, according to the Russian Federation president, are working poorly among the troops.

Touching on the Defense Ministry's relationship with the Border Troops, the president said it is an abnormal position when the Border Troops are forced to buy weapons from the Defense Ministry. "First and foremost, we should think about general state interests," Boris Yeltsin stated.

The president made a critical assessment of the way in which questions of social provision for the military are being resolved. He demanded that Premier Viktor Chernomyrdin, who was attending the conference, ensure complete financing for the Armed Forces. "The Armed Forces cannot resolve funding problems themselves, and they should not be pushed down the road of business—they have their own tasks," the president stated.

Government To Reduce 'Apparatus' by 30 Percent

LD1411170094 Moscow ITAR-TASS World Service in Russian 1048 GMT 14 Nov 94

[By ITAR-TASS correspondent Gennadiy Yezhov]

[FBIS Translated Excerpt] Moscow, 14 Nov—In the near future the Russian Government apparatus will be cut by 30 percent. The Cabinet of Ministers' proposals aimed at implementing a decree by Russian President Boris Yeltsin have already been prepared. The cuts will mainly have a structural nature, ITAR-TASS has learned from government sources. This is going to be a second round of cuts this year. Earlier, on Boris Yeltsin's decision, the government apparatus was reduced by 20 percent.

The costs of keeping the government apparatus are a unit lower than those of keeping presidential or parliamentary structures. Of the overall costs of keeping it, salaries to the staff account for 25-30 percent (on the average an official gets 400,000 rubles a month) while the main funds go toward maintenance of buildings and backup for the staff. To save as much of taxpayers' money as possible, the Cabinet of Ministers has decided to carry out both numerical and structural cuts. Thus, parallel structures will be abolished or merged, including individual ministries and departments, specifically those services that are duplicated at a regional level. [passage omitted]

Yeltsin Appoints Chief of Government Staff

LD1511125794 Moscow ITAR-TASS in English 1239 GMT 15 Nov 94

[By ITAR-TASS correspondent Gennadiy Yezhov]

[FBIS Transcribed Text] Moscow November 15 TASS—Russian President Boris Yeltsin appointed on Tuesday an ally of Prime Minister Viktor Chernomyrdin to head the government staff.

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After a meeting with the premier, the president signed a decree appointing Vladimir Babichev as the chief of the government staff in the rank of a minister.

Babichev is a representative of the "Gasprom" concern which was headed by Chernomyrdin before he came to head the government.

He was deputy director general of the "Gasmash" company, a subsidiary of "Gasprom".

Former chief of staff Vladimir Kvasov who was dismissed Friday was also a representative of "Gasprom".

Polevanov Named Privatization Minister

LD1511122394 Moscow ITAR-TASS in English 1240 GMT 15 Nov 94

[FBIS Transcribed Text] Moscow November 15 TASS—President Boris Yeltsin appointed Vladimir Polevanov as the new privatization minister and deputy prime minister, the press service of the Russian leader reported.

He will replace Anatoliy Chubays who was promoted to the post of first deputy prime minister responsible for economic issues.

Posuvalyuk New Deputy Foreign Minister

LD1511090294 Moscow ITAR-TASS World Service in Russian 0746 GMT 15 Nov 94

[FBIS Translated Text] Moscow, 15 Nov (ITAR-TASS)—By order of the Government of the Russian Federation, dated 14 November, Viktor Viktorovich Posuvalyuk is appointed Russian deputy foreign minister.

By the same order, Anatoliy Leonidovich Adamishin is released from the post of first Russian deputy foreign minister in view of his transfer to other work.

Viktor Posuvalyuk was born in 1940.

He graduated from the Institute of Oriental Languages at Moscow State University named after M.V. Lomonosov.

He is a Candidate of Historical Sciences.

He has been in the diplomatic service since 1964.

He has worked at the USSR Embassy in the Yemen Arab Republic and Iraq.

From 1980 to 1985 he was councillor-envoy to the USSR Embassy in Syria.

From 1986 to 1988 he was deputy chief, head of department at the USSR Foreign Ministry Directorate for Countries of the Middle East and North Africa.

From 1988 to 1990 he was USSR ambassador extraordinary and plenipotentiary to the Sultanate of Oman.

From 1990 to 1991 he was USSR ambassador extraordinary and plenipotentiary to the Republic of Iraq.

From 1992 to 1994 he was director of the Russian Foreign Ministry Department for Africa and the Middle East.

Since 1994 he has been director of the Russian Foreign Ministry Department for the Middle East and North Africa.

In March of 1994 he was appointed special representative of the president of the Russian Federation on a Middle East settlement.

Yeltsin Supporters Back New Opposition Bloc

MK1511105094 Moscow KOMMERSANT-DAILY in Russian 15 Nov 94 p 3

[Report by Dmitriy Kamyshev: "The President's Adviser Pins Hopes on the Opposition"]

[FBIS Translated Text] With the approach of new parliamentary elections, the number of parties and blocs in Russia is beginning to grow in geometrical progression. Therefore, yesterday's session of the Assembly of National-Democratic and Patriotic Forces [ANDPF] political council would be quite an ordinary event were it not for one detail: The organization, which has adopted many slogans of the intransigent opposition, was supported by representatives of the president and government.

The ANDPF stands apart among other political movements not only in its record-long name but also the extremely motley composition of its members: from the Tersk Cossack army to a national air association. Just as diverse are the views of the participants in yesterday's session, who with the same relish criticized both the government—for "forced capitalization of the country"—and the "so-called patriots" who propose that the republics be replaced by governorates.

Nonetheless, representatives of the power establishment did not seem to be offended: Although the critical remarks made against them virtually repeated the opposition's traditional charges, the guests treated the assembly with accentuated respect. Furthermore, Emil Pain, a member of the Presidential Council, even stated that he is pinning great hopes on it, and promised thorough support. True, lying behind this strange love for one's own critics could well be a fairly pragmatic desire to "tame" the new opposition movement at a very early stage. So far, however, attempts by the authorities to raise "lap-dog" parties have not been particularly successful.

Yeltsin To Meet With Parliamentary Leaders 17 Nov

LD1411184994 Moscow ITAR-TASS in English 1808 GMT 14 Nov 94

[By ITAR-TASS correspondent Tamara Zamyatina]

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[FBIS Transcribed Text] Moscow November 14 TASS—Russian President Boris Yeltsin is expected to meet chairmen of the two chambers of the Russian Federal Assembly, Vladimir Shumeyko and Ivan Rybkin, and heads of parliamentary committees and commissions on November 17, presidential chief of staff Sergey Filatov told ITAR-TASS today.

Filatov pointed out that "the president intends to continue looking for mechanisms of ensuring optimal contacts with the Federal Assembly, and that fruitful results of this process are already felt."

At the same time, the president has set the task to step up the development of cooperation with parliament in order to overcome the problem of alternative lawmaking as a result of which colossal efforts made by lawmakers are wasted.

Filatov said that in the near future, a council for judicial reform will be set up under the Russian president to work out a concept of draft bills on the most important problems faced by society.

Federation Council Session Opens 15 Nov

LD1511092394 Moscow ITAR-TASS World Service in Russian 0834 GMT 15 Nov 94

[By ITAR-TASS parliamentary correspondent Lyudmila Yermakova]

[FBIS Translated Text] Moscow, 15 Nov—After an hour-long discussion, Federation Council deputies introduced over 15 questions on to the agenda of the 12th sitting of the parliament's upper chamber, which opened today.

Deputies are to discuss candidacies for the posts of judges of the Constitutional and Supreme Courts of the Russian Federation. They will also examine a number of documents approved by the State Duma, including the first part of the Civil Code of the Russian Federation. The agenda includes an examination of a package of laws concerning the work of courts, and the detention of suspects and defendants. Members of the chamber intend to ratify several agreements with countries of the near and far abroad.

Other items on the agenda are reports on the implementation of the federal budget this year and on providing regions with fuel.

Deputies observed a minute's silence to honor the memory of the head of the Volga railway killed by bandits in early November.

Duma Committee To Sit in Judgment on Grachev

MK1511104094 Moscow NEZAVISIMAYA GAZETA in Russian 15 Nov 94 p 1

[INTERFAX report under the "In Brief" rubric: "Yushenkov Vs. Grachev"]

[FBIS Translated Text] The State Duma Defense Committee will discuss the question of confidence in Defense Minister Pavel Grachev during its 17 November sitting. This has been announced by Sergey Yushenkov, chairman of the parliamentary defense committee.

PRES Deputies Vote To Expel Zatulin From Party

LD15N1303 Moscow ITAR-TASS in English 1238 GMT 15 Nov 94

[FBIS Transcribed Text] Moscow November 15 TASS—The parliamentary group of the Party of Russian Unity and Accord [PRES] in the State Duma has unanimously decided to expel Konstantin Zatulin from it and voted (23 for and one abstaining) for recalling him from the post of chairman of the committee for the affairs of CIS and links with compatriots. On the recommendation of the federal council of the party, the parliamentary group again discussed the issue of Konstantin Zatulin today, says a report of the press service of the parliamentary group of the Party of Russian Unity and Accord, received by ITAR-TASS.

Filatov's Days as Chief of Staff Seen Numbered

MK1511114094 Moscow KOMMERSANT-DAILY in Russian 15 Nov 94 p 3

[Report by Veronika Kutsyllo: "The Contractions of Authorities Are Becoming Spasmodic"]

[FBIS Translated Excerpt] The third conference on matters of interaction between state-power and lawmaking bodies took place in the Duma 12 November. [passage omitted]

The status of Russia's main coordinator could become a straw to grasp at in the stormy sea of political upheavals as the press airs the names of Filatov's possible successors—from the Security Council secretary to the foreign affairs minister (true, the supposition that Kozyrev will prefer an administrative chair to a diplomatic one aroused—according to information in KOMMERSANT- DAILY's possession—cheerless laughter in the incumbent chief of staff). [passage omitted]

If Filatov managed to do what was discussed at the conference—ensure the passage of bills eliminating any possibility of the appearance of alternative drafts, while offending neither parliament, nor the government, nor the president—his reputation, shaken in Yeltsin's eyes, would be recovered. This, frankly speaking, is an uphill task, but even trying to resolve it could help him stay afloat.

On the other hand, according to information obtained by KOMMERSANT-DAILY from an informal source, Filatov himself is not so optimistic about his own prospects and believes that the current season of resignations signifies a virtually full change of the team in the

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run-up to elections. According to information in KOMMERSANT-DAILY's possession, on 11 November a decision about Vyacheslav Kostikov's resignation was finally made.

'Acute Crisis' Within Democratic Party of Russia

LD1411222294 Moscow ITAR-TASS World Service in Russian 1531 GMT 14 Nov 94

[By ITAR-TASS correspondent Lyudmila Aleksandrova]

[FBIS Translated Excerpt] Moscow, 14 Nov—An acute crisis is continuing in the Democratic Party of Russia [DPR], one of the first parties registered in the Russian Federation. It is caused by the fact that while the DPR has unequivocally proclaimed its standpoint as an opposition force, its leader, Nikolay Travkin, has been appointed a minister without portfolio and has therefore considerably toned down his opposition stance.

The majority of participants in the sitting of the party's national committee, which took place over the past weekend voiced their lack of political confidence in Travkin, says a statement of the DPR press service published today. [passage omitted]

The National committee of the DPR stated that the president and the government has failed to implement the Social Accord Treaty, and demanded that an assembly be convened where the executive authorities should give account of how the main tenets of the treaty are being fulfilled.

An organizing committee for convening a congress of the DPR was set up at the sitting of the national committee. Judging by its list of members, the opponents of Travkin have obviously gained the upper hand in the DPR. The question of re-electing the DPR chairman has been included in the agenda of the congress, which is to be held on 17-18 December 1994. [passage omitted]

Agrarian Party's Mikhaylov Outlines Policy

MM1411130594 Moscow SELSKAYA ZHIZN in Russian 10 Nov 94 p 2

[Article by Aleksandr Mikhaylov, deputy chairman of the Agrarian Party of Russia and State Duma deputy: "By Its Intelligence, Following Its Own Path, Agrarian Party of Russia Is Advancing To Its Third Congress"]

[FBIS Translated Text] It is over two years since the start of the reforms which their initiators promised should lend new impetus to the economy and give the people a better life. Instead there is a further decline in production, hundreds of enterprises have stopped, millions of people are not receiving their wages for months, unemployment is growing, and the population is becoming impoverished....

Something else is also alarming. Despite the signing of the famous agreement by many parties and movements under pressure from the executive power, true accord has not been achieved in society. Millions of Russians are asking themselves increasingly frequently: What kind of reforms are they if life is becoming worse with every passing day? Was it necessary to plunge a great country into the morass of another risky experiment so hastily, without an in-depth consideration of tactics and strategy, without their approval by the majority of citizens? Has our history's bitter experience not hinted to today's "reformers" that any hasty movements are counterindicated for a country overburdened with problems?

Sensing an increase in tension in society, the executive structures are trying yet again to reassure the dissatisfied people with claims about the signs of stabilization that have emerged.

The disappearance of waiting lines and the shortage of goods, the reduction of the pace of inflation, and the creation of new market economy institutions are cited as these signs. But anyone capable of simple analysis will say that these "achievements" are illusory. In a little while we will have nothing with which to pay for the poor-quality, albeit brightly packaged, foreign consumer goods.

It is particularly hard now for peasants and all rural inhabitants. The production base has been disrupted and the financial stranglehold prevents them from working effectively and receiving wages promptly. As a result of all this dismay, indifference toward everything, and fear of the future have settled in people's souls.

You form the impression that government circles seriously believe that the West will continue to feed our people. How else to explain the destructive policy which is being pursued with regard to the agricultural complex and primarily agriculture? This policy takes absolutely no account of the objective reasons why our countryside is in a catastrophic state today. Although it is well known that the countryside was the base on which the power stood and strengthened. The Russian countryside fed the city, gave its best workers to industrial construction, and was patient, in the hope that in the future it too would be helped to find its feet.

But no, no one remembered its past services. Moreover, even now the Russian countryside has found itself relegated to the sidelines and it is from there that it is watching the strongest and most cunning take profitable places on the longed-for market. They dictate to the peasant the price at which he should sell his output and the price at which he must acquire the machinery and fertilizers he needs. If that is an "honest market" then what is legalized robbery?

This is not the first time, let us stress this again, that the Russian peasants have found themselves in this situation. Essentially they have never been free or equal. They worked for the landowner or for the "world revolution," erecting on their own bones the industry of the proletarian state. The power structures have repeatedly south

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a way out of the crisis at the countryside's expense, taking no account of the opinion of the peasants themselves. For this reason neither the 1861 reform, which freed peasants from serfdom, nor Stolypin's reforms of 1908-1910, nor the collectivization of agriculture in 1929-1932, which was of an enforced nature, could resolve all the contradictions and create conditions for the peasant to work freely on his land.

The peasants—let us turn to history again—tried to change the situation. Having exhausted his long patience the peasant took up a pitchfork or Berdan rifle and rose up for land and will. But on each occasion these spontaneous demonstrations ended in defeat and bloodshed.

In May 1917 the first attempt was made at the Russian peasants' masses' political self-organization. The first ("peasant") all-Russian congress of peasant councils held at the time elaborated a "mandate on the land" which was later placed at the foundation of the decree on the land.

The mass peasant movement at the time helped the bolsheviks to win victory in the struggle for power and the peasants themselves to obtain land. But soon the peasant congresses halted their activity, which meant the elimination of the all-Russian political organization of peasants and the peasants' transformation—both politically and economically—into a class without full rights.

Thus the peasants' many centuries' experience of the struggle for their rights showed that neither spontaneous "grassroots" demonstrations nor reforms suggested by the "upper echelons" lead to the solution of the peasant question. And however much the Russian peasant may seek to dissociate himself from politics, however much he may try to persuade himself and others that his business is plowing the land and not going to meetings, he cannot manage without his own political organization.

Today this organization exists. It is the Agrarian Party of Russia [APR]. It expresses the interests of the main mass of peasants and agro-industrial complex workers. In the brief period of its existence (let us recall it was created in February 1993) the party has substantially strengthened organizationally, has grown numerically (it now numbers over 200,000 people in its ranks) and its deputies' faction has 55 seats in the State Duma.

The APR enjoys ever growing support locally, which was graphically demonstrated by the all-Russian rural rally in August when representatives of peasants from over 70 regions came to the capital.

The Agrarian Party is still in the process of being established. It is preparing for its third congress, to be held 26-27 November in Moscow. And there is now an urgent need to consult with party members and sympathizers (among whom we hope there are many SELSKAYA ZHIZN readers). What should the APR be like organizationally? What are its policy tasks in the political, economic, and social spheres?

Let us recall that when the APR was only being created the idea arose of building it according to the Western model, that is creating a party of the parliamentary type. That means that the party is numerically small and all its work to defend the interests of the strata of the population which support it is performed mainly in the center—in the parliament, in government structures, and in the mass media. If it defends those interests well the people will vote for the party, if it defends them badly it will lose support.

When we projected this principle for building the party onto our Russian reality we soon realized that this was not entirely suitable for us, we had to gear ourselves toward creating a party with effective primary, rayon, and regional organizations. We have to adopt political experience which has shown its effectiveness from the viewpoint of manageability, efficiency, and feedback. That means it must count on a mass membership, on the active participation in the party's affairs of the rural inhabitants whose interests it directly defends, and as a minimum on the sympathy of many city dwellers—workers at agricultural machine building plants and enterprises of the processing industry and workers in other related sectors. We also count on the support of the intelligentsia, the sector's scientists, and other strata of society. In other words our task is to make the Agrarian party a party which expresses general national interests.

In the political sphere the APR openly states its aims—coming to power by constitutional means, forming a coalition government of popular trust, establishing genuine power of the people.

The APR believes that the present authorities' policy with regard to the countryside has become completely bankrupt and therefore at the all-Russian rally demands were made for the re-election of the president and the holding of elections to the organs of executive power in the regions: Officials who have exhausted their potential must retire.

The economic section occupies a central place in the APR program. The country must be brought out of the protracted crisis. The APR believes that we must begin with agriculture. And not because we express the peasants' interests. Without regulating the peasant question we cannot ensure stability in the economy and the state or improve the people's living standard. That is what the real situation dictates. World experience also bears it out.

One wonders why our "reformers," while listening carefully to the advice of their Western friends, do not consider, for instance, the United States' experience in emerging from the "great depression" in 1933. President F. Roosevelt realized at the time that it was necessary primarily to encourage the growth of agricultural production. And his administration drastically increased the

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allocation of preferential credits to private farmers and free appropriations for the needs of agriculture.

Our authorities seem not to accept utterly obvious logic: With the means, the countryside and agriculture give orders to industry for machinery and equipment, chemicals and construction materials, and in turn supply raw material to the textile and chemical industry workers and workers in the processing industry and at together they all provide the people with food, clothing, and shoes.

It is hard now for everyone (that is the "original" way in which reforms are proceeding in our country): hard for transport workers and machine building workers not to mention workers in science, culture, and education. But an engineer or doctor can be trained over five years, a movie can be made in a year, a plant, factory, or construction site can be halted and later launched again—not much time is needed for that. But "relaunching" destroyed livestock raising or soil that has ceased to be fertile.... Reviving a village that has died.... Even in the most favorable circumstances this takes decades.

Alas, so far we are not managing to get the executive power or society as a whole to understand this simple idea. Many do not think about how a time will come when even the foreign ration for cats and dogs will seem an inaccessible luxury.

A gloomy picture? Yes, it is a gloomy one but it will inevitably become reality if the practice of the financial stifling of the Russian commodity producer continues, if they legalize the procedure of the free buying and selling of land—free for our homegrown moneybags and foreign capital.

Without a radical change to the course of reforms the Russian countryside, deprived of its economic base in the shape of the large collective farms, will simply perish. We cannot, we must not, allow that development of events. That is why we have put forward our program for emerging from the crisis.

The APR believes that the reforms which have been begun in the agrarian sector are necessary. But their initiators underestimated the complexities of the problems, the main one being that they are trying, by force and in a brief period of time, to switch a country with a peasant system going back many centuries and with a communal mentality to forms of production unfamiliar and alien to the Russian peasant, imposing a different way of life.

Under these conditions the APR advocates halting the machinery of destruction. The APR members are seeking to protect Russian commodity producers: the labor collectives, the manager-directors, the intellectual potential, and the Russian market.

We proceed from the premise that relations of a mixed system of economic management and ownership are the basis for the country's steady dynamic development and the foundation of a society of social justice.

These and other issues which perturb rural inhabitants will be discussed at the APR third congress whose delegates will adopt a finished program. Its draft is published in the newspaper ZEMLYA I TRUD (no. 33 for 16-22 August 1994) and is available in the party's regional organizations. I should like as many people as possible to take part in the discussion of this document. The opinion of those who plow the land and raise livestock as to what the mass party of the Russian peasants should be like is extraordinarily important and will be considered above all.

In conclusion I shall also mention the following point. Now many parties, movements, organizations, and individual "comrades' groups," using the peasants' dissatisfaction, are doing everything to bring them into their ranks. I should like to warn the rural inhabitants not to rush to throw away your votes or sympathies. These cunning recruiters are using you to achieve their own aims, often far removed from the countryside's concerns. Only the Agrarian Party is the true and consistent expresser of your fundamental interests. By its deeds and its aspirations supported by Russia's peasants it has won your trust and I am sure it will not disappoint you in the future.

Poll Taken by Senior Officials Analyzed

LD1411191994 Moscow INTERFAX in English 1822 GMT 14 Nov 94

[From the "Presidential Bulletin" feature: No. 220 (710); compiled by Nikolay Zherebtsov and Andrey Petrovskiy; edited by Vladimir Shishlin]

[FBIS Transcribed Text] The Russian government reshuffle has resulted in increasing the influence of presidential structures and of the probability that the State Duma will again vote on confidence in the government before the end of the year. Interfax's Sociopolitical Modeling Service came to this conclusion by analyzing the poll of senior officials in various state bodies.

The probability of another vote on confidence in the Chernomyrdin team was regarded as very high, 78 percent.

The officials polled say that the reshuffle, in particular, the appointment of departmental heads in the presidential office Vladimir Panskov and Yevgeniy Yasin as finance and economy ministers, will improve the positions of the presidential structures.

At the same time, the influence exerted by the government on the political situation may reduce in the coming six months.

The officials did not think that the reshuffle was a concession to parliamentary opposition.

They believed that by appointing Anatoliy Chubays first vice premier the president wanted to emphasize the role played by hardline market supporters in the government

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(92 percent). Another explanation, the probability of which was 82 percent, is "soft-glove" removal of Chubays from managing the second stage of privatization. Some believe that this was a step designed to push Chubais from the corridors of power.

The senior officials polled by Interfax expected the reshuffle to take effect in pulling Russia out of crisis no earlier than in six months.

They evaluated the probability that the reshuffle would result in stabilizing the country's economy, in particular, in putting an end to the production decline as 24 percent but believed that in six months this probability might rise to 53 percent. The probability of overcoming the non-payment crisis will change, they believed, from 21 to 29 percent in six months.

The probability of overcoming the fuel (gasoline) crisis is expected to grow from 56 percent now to 63 percent next March.

Most polled officials believed that the probability of success of the government's stabilization steps will increase six months later.

Edict Appoints Eight Supreme Court Justices

MM1511095994 Moscow ROSSIYSKAYA GAZETA in Russian 15 Nov 94 First Edition p 4

[Russian Federation Federal Assembly Federation Council Decree No. 241-I SF, signed by Federation Council Chairman Shumeyko and dated 26 October 1994: "On the Appointment of Russian Federation Supreme Court Justices"]

[FBIS Translated Text] Under Article 102 Part 1 Paragraph "g" and Article 128 Part 1 of the Russian Federation Constitution, the Federation Council decrees that:

The following shall be appointed Russian Federation Supreme Court justices: Taisiya Prokofyevna Yevdokimova, Tatyana Ivanovna Yeremenko, Yuriy Grigoryevich Kebu, Mariya Nikolayevna Lavrentyeva, Galina Vladimirovna Manokhina, Gennadiy Vasilyevich Makarova, Vladimir Nikolayevich Solovyev, Aleksey Fedorovich Chernyayev.

[Signed] V.F. Shumeyko, chairman of the Russian Federation Federal Assembly Federation Council

[Dated] Moscow, 26 October 1994

No. 241-I SF

Gaydar Found Guilty of Libel Toward Zhirinovskiy

LD1411204994 Moscow INTERFAX in English 1937 GMT 14 Nov 94

[FBIS Transcribed Text] Yegor Gaydar, the leader of the Russia's Choice parliamentary group, did offend Vladimir Zhirinovskiy, the leader of the Liberal Democratic Party of Russia's group, by calling him a Russian fascist. Gaydar must pay damages, the Moscow City Court decided Monday [14 November]. The court upheld the Tverskoy Intermunicipal Court's decision to the same effect under which Gaydar and the editorial board of the IZVESTIYA newspaper will have to pay one million rubles damages to Zhirinovskiy.

The court analyzed Gaydar's article Betting on the Scoundrel in IZVESTIYA of May 17 where Zhirinovsiky was described as the most popular fascist leader in Russia.

The Tverskoy Court regarded this description as untrue and a libel.

Gaydar and his attorney Genri Reznik protested the court decision. Reznik told Interfax that comparison with a fascist could not be a libel because fascism was not banned in Russia.

In a similar case Gaydar may be ordered to pay damages for his description of Zhirinovskiy prior to the 1993 elections as a leader of the 1929 vintage.

Afghan Vets' Leader Killed by Radio-Controlled Bomb

MM1411172794 Moscow IZVESTIYA in Russian 12 Nov 94 p 2

[Report by Nikolay Burbyga: "Leader of Afghan Invalids Killed by Radio-Controlled Bomb"]

[FBIS Translated Text] Mikhail Likhodey, leader of the Afghan war invalids, and Valeriy Nurin, his bodyguard, were killed by shrapnel from a bomb that exploded at 11 Orekhovyy Passage in Moscow on 10 November. Mikhail Likhodey's wife and a second bodyguard were seriously injured. The criminals have not yet been apprehended.

"Mikhail was to have gone on a business trip that day," Yuriy Konotayev, chairman of "Pandsher," the Afghan war veterans' club, said. "So he came home earlier than usual. Likhodey had gone in second, after Valeriy Nurin. His wife and the other bodyguard had lingered in the street for a while, and this evidently saved their lives. The blast blew them onto the street."

The bomb had been planted on the ground floor near the escalator and went off just as Likhodey and Nurin got close to it. The bomb was obviously radio-controlled. Witnesses of the tragedy spotted some vehicles driving away from the house.

Mikhail died instantly, Valeriy Nurin a little while later, in the ambulance.

IZVESTIYA has already written (No. 194, 8 October 1994) about the internal feuds raging in the Russian Afghan War Invalids' Foundation, of which Mikhail

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Likhodey had been chairman. The struggle for the foundation was a serious business—involving handguns and Very pistols. People had been killed and injured. The fights meant the foundation had two chairmen—Colonel Valeriy Redchikov and Mikhail Likhodey.

According to people well acquainted with the foundation's activities, the fight was to gain possession of the foundation's material resources. Every method going was used: Anything from slander to the physical elimination of troublesome people.

Efforts to reconcile the foundation's two leaders had gotten nowhere—the stakes were too high for the invalids and those behind them to easily make concessions to one another. The "subtle" element in the Russian Foundation situation was that the president's edict on benefits applied only to the Russian Foundation of Afghan War Invalids, so no one would agree to a civlized separation and the creation of two public organizations.

That is the apparent situation. But, according to those who are well acquainted with the circumstances surrounding the foundation, the two likeliest scenarios are either that Mikhail Likhodey was killed by those whose expectations he had failed to live up to or that the murder was carried out in order to discredit the Afghan movement.

Murderers of Priest, Journalist To Be Named

LD1411173594 Moscow INTERFAX in English 1647 GMT 14 Nov 94

[FBIS Transcribed Text] Federal Counterintelligence Service [FCS] Director Sergey Stepashin told deputies of Russia's Choice faction Monday [14 November] that the names of the murderers of priest Aleksandr Men and journalist Dmitriy Kholodov will be unveiled until the end of the year. According to Stepashin, the murderer of State Duma deputy Andrey Aizderdzis had already been found.

Stepashin's meeting with the deputies focused on a draft law on the FCS submitted by Russian President Boris Yeltsin for consideration by the State Duma Friday.

Stepashin said it was wrong to blame any specific commercial bank for the slump in the ruble's exchange rate on October 11. He pointed out that the public had an incorrect perception of the report by the Security Council special state commission because it was published only partially.

"If the report had been published as required by Boris Yeltsin, i.e. fully, such interpretation would have never emerged," he added.

First Deputy Prime Minister Anatoliy Chubays will attend a meeting devoted to the fight against economic crimes in the FCS next week, Stepashin said.

Budget Procedure Law Passed Despite Objections

MM1411164594 Moscow ROSSIYSKAYA GAZETA in Russian 12 Nov 94 p 4

[Report by Yelisaveta Leontyeva: "Law on Adoption of the Budget: President Has Lifted His Objections But Made a Proposal"]

[FBIS Translated Text] A precedent was set during the reexamination of the law "On the Procedure for Examining and Ratifying the Federal Budget for 1995": The State Duma approved the law, but the Russian Federation president informed parliament shortly afterwards that he had fundamental objections concerning this question.

The president objected to the quarterly allocation of the budget and the inclusion in it of norms setting deadlines for the submission of the draft budgets of state extrabudgetary funds. Moreover, he deemed unlawful the adoption of the law "On Financing Expenditure From the Federal Budget in the First Quarter of 1995." Those were his basic comments.

As Oksana Dmitriyeva, chairman of the State Duma Budget Subcommittee, reported, after examining the comments, both the Federation Council and the State Duma confirmed the law in its previously adopted version by two-thirds of the votes.

The deputies who took part in the preparation of the law "On the Procedure for Examining and Ratifying the Federal Budget for 1995" consider it a good thing that the Russian Federation president's comments were sent in the form of a letter, as, strictly speaking, the question of rejecting them in a legal sense did not therefore arise. Otherwise deputies would have had to wait for a new version of the draft law. Without complicating the situation, the Federal Assembly simply held to its previous decision. And the president "took back" his comments.

True, he made one one more comment which had not previously figured—the removal of no-confidence in the government if the budget is not adopted. But, as it was already late, parliament did not examine this comment, particularly as in principle a question of no-confidence can arise not just over the budget but over any other question which has no bearing on it.

Yeltsin Regime To Merge Information Directorates

LD1411160194 Moscow ITAR-TASS World Service in Russian 1425 GMT 14 Nov 94

[By ITAR-TASS correspondent Tamara Zamyatina]

[FBIS Translated Text] Moscow, 14 Nov—The Russian president plans to merge the Kremlin's three information structures into one. The information directorate, the center of current information, and the president's press service are to be merged into a single information directorate of the presidential administration.

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zThe relevant edict should be signed in the near future, an ITAR-TASS correspondent learned today from an informed source in the Kremlin, who added that the new directorate would be headed by 36-year-old Sergey Nosovets, currently in charge of the presidential administration's information provision.

The presidential edict being prepared for signing does not affect the post of the head of state's press secretary, currently occupied by Vyacheslav Kostikov.

Whereas the three structures named account for 89 posts, after the planned staff cuts, Sergey Nosovets will have 50 members of staff at his disposal, the source said.

Earlier, the president ordered a 30 percent cut in his administration.

New AIDS Bill Said To Contradict Human Rights

LD1411184494 Moscow ITAR-TASS in English 1803 GMT 14 Nov 94

[By ITAR-TASS correspondent Anna Bakina]

[FBIS Transcribed Text] Moscow November 14 TASS—"The new draft law on the struggle against AIDS approved by the State Duma, runs counter to general concepts of human rights," Vadim Pokrovskiy, head of the Russian Association for Struggle Against AIDS, told ITAR-TASS here today.

According to Vadim Pokrovskiy, a number of clauses in this document puzzle by their vague wording and repeated references to the need to insert additional provisions. Actually, there is no notion of principles of the state's national policy on this problem.

The World Health Organization (WHO) has already expressed its view on this issue to Russian medical experts. Specifically, Vadim Pokrovskiy considers the clause saying that foreign citizens coming to Russia on any grounds are subject to obligatory testing on HIV-infection, to be disputable. The right to determine who must undergo tests is given to various departments, but this, the head of the Russian association believes, may lead to arbitrary actions by some officials.

As for Russian citizens, it is necessary to check up by all means only donors, the rest may undergo tests voluntarily, Vadim Pokrovskiy considers.

The draft law envisages that other categories of citizens must be necessarily tested which will also be decided by departments concerned.

According to statistical data, 24 million Russian citizens are tested annually. Only 100 HIV-positive people have been revealed this year but testing is very expensive. This money could be used with a greater use for the development of science, preventive measures and training doctors in this field.

Besides, two important clauses in the draft law were changed after readings in the State Duma: the first, on the need to set up an interdepartmental coordination center for the struggle against AIDS, was excluded.

The clause recommending to undergo tests for those expecting certain operations, actually turned into a direct permission to a doctor to violate his Hippocratic oath. Lawmakers believe it is quite admissible for a doctor to refuse medical aid to a patient who does not agree to be tested on HIV-infection.

Economic Issues

Livshits Economic Prognosis Through Year 2000

MM1511084594 Moscow IZVESTIYA in Russian 11 Nov 94 p 4

[Part one of article by Aleksandr Livshits: "Where Are We Headed? Russia's Economy in Year 2000"—passages between slantlines published in italics]

[FBIS Translated Text] I am in no way infringing the achievements of government forecasters. I am not putting forward alternatives, I am not sowing confusion, and I am not touching on the three-year concept. Although, to be blunt, the cliched choice of scenarios (first, the tough monetarist approach that is inhuman and politically unfeasible; second, the negligent, pro-inflationary approach allegedly dear to the Duma's heart; and third, an intermediate policy chosen by a "wise" government) has become rather boring. All the more so as this third ("sensible," "balanced" approach) usually starts cracking up one or two months after being made public.

I do not promise any scenarios. Not because I am unable to write any. Over the past few years I have drawn up dozens, and some have even come to fruition. Admittedly, only as long as the politicians, forgetting about their profession, refrained from attacking each other. I will assume that there will be no political cataclysms (I am profoundly confident about that) and that the political component of the economy will remain the way it is at the moment. The poor economy will have to put up with the hot breath of the presidential derby, the capriciousness of the Duma, the continuing ambitions of the trade unions, and much else besides.

I would just like to demonstrate the kind of economy we could have in around five years' time and what needs to be done.

I.

In 1995 the phase of financial stabilization will be nearing completion, after which the economy as a whole will be stabilized for a few years and will slowly begin to be drawn into the upturn phase. Russia's economic self-determination, the recognition of national interests, and their implementation in policies will be completed in the year 2000.

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By then the reform of the economic mechanism will basically have been completed. And that is a good thing, since living in an economy where things are continually being retailored and reformed may be interesting but, you will agree, it is uncomfortable. After the year 2000 the government will be considered "reformist" for having proposed something new and useful in, say, the organization of public education or the export support system. Hopefully, there will no longer be any need to swap round the legs of the chair.

II.

We can expect that by the year 2000 Russia will have emerged from the economic crisis and will find itself in a slow upturn with real GDP growth of 3-4 percent a year. The bulk of the growth will be ensured by the services sphere and three major industrial sectors, of which more below. At the same time, we will be unlikely to achieve our precrisis level of production. The overall losses that came about during the slump of the nineties will not be offset. The economic edifice will have a different internal layout, but will be lower than what used to stand in its place.

We will start to reap the benefits of the high level of underutilization of production capacity that came about during the slump of the nineties. Since this indicator in industry is unlikely to exceed 70 percent in 1995-1997, the existence of an impressive reserve potential will promote the enhancement of investment efficiency. The relatively high degree of readiness available in the construction complex, which did not lose personnel or capacity during the crisis, will have an impact.

A great deal will depend on the results of the fierce squabbles over the dividing up of the financial market, which will peak in 1995-1996. Sooner or later investment institutions will get control of the situation.

If we maintain the situation of the acute shortage of budgetary sources of investment (which does not mean a complete absence of such sources, of course) we will drive enterprises into nonstate sources for funding capital investment. Consequently, we will support the money and stock markets on the demand side. We can also count on accelerated stock-market development, and particularly of the aftermarket, following the start of monetary privatization, which will expand the opportunities for raising financial resources for investment purposes. Other factors will include increasingly comprehensive adaptation to market conditions, particularly in regions actively engaging in economic reform and where regional sources of demand for investment are being rapidly mobilized; a move into foreign markets by the strongest Russian corporations; and the earning of tangible foreign-exchange profits that can be used to resolve investment tasks.

There will be a trend toward lower interest rates, which will fall to 20-25 percent a year over the course of five years. It will become quite profitable to put money into investment projects that recoup their investment after two or three years. But the market incentives for long-term private-sector production investment will remain rather weak. The inadequate efficiency of such investments will hamper their volume growth. Consequently, there will be a continuing requirement for state support for the investment process.

III.

In 1994 all these conditions are already visible, although to differing extents. There are no weighty reasons which might seriously exacerbate even one of them. In a year or two these factors will start to become stable. And therefore the breakthrough in economic behavior (from survival to development) is just a matter of time.

How much time is another matter. Judging by everything, it will be quite a long while. In the next five years *investment activity will not be as great as it is during economic upturns in the developed countries.*

The reason is that in the second half of the nineties investment growth will be hampered by:

poor market incentives for long-term private-sector investment in production;

the lack of mechanisms for or habits of nonstate investment;

the "investment fatigue" effect—the habit, entirely natural after a prolonged slump, of being satisfied with not very much, a psychological lack of readiness for development;

the regionalization of the economy—the reorientation of enterprises to regional suppliers and customers, which allows them to survive today, will result in lower investment activity in the future.

But, nonetheless, these are not the main points. During the crisis the economy has become worn out. It still has its old clothes. It is freezing. What kind of development is that? We need strong new material and fashionable clothes. No worse than those in the developed countries. Without them we will be ashamed even in our own country—let alone abroad.

Consequently, the possibility of enterprises being shut down in the next few years as a result of their equipment becoming obsolete cannot be ruled out. This means that *one of the most difficult problems over the next three years will be to fundamentally renew fixed capital and to carry out technological modernization primarily using the resources of Russian machine building.* At any rate, any discrimination in the domestic Russian market (crafty offers to tender which can only be won by foreigners, the granting of various privileges to them, and so forth) are quite impermissible and simply demeaning. Are we really incapable of tailoring anything better than antediluvian kaftans?

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In the period up to the year 2000 there will be substantial structural and organizational changes in production. Services as a percentage of GDP will reach world standards. Three leading sectors will take shape, each of which will have strong export-oriented financial and industrial groups operating within it—the defense industry, the fuel and energy complex, and metallurgy. Apart from industrial concerns, these groups will also include major banks, insurance companies, and other financial institutions. We should not hinder the natural (vertical) process of the creation of such groups. In any case, nobody will be able to stop the mutually advantageous intermeshing of capital.

These economic formations will not restrict themselves to trading operations on the world market, and will embark on an active capital investment program outside of Russia. In five or six years certain Russian financial and industrial groups will be among the world's largest multinational corporations.

In the next three or four years the most dynamic markets will be the aftermarkets in the shares of privatized fuel and energy complex enterprises, financial companies, and real estate, as well as the market in nonstate social services.

If investment is forthcoming, machine building, chemicals, and the construction materials industry will put their houses in order. Enterprises producing nonfood consumer goods will most probably be in the worst position. Imports account for no less than 80 percent of this market. Russian producers, who will still have 20 percent of the market, will service low-income population groups geared mainly to regional markets. It is not ruled out that production of industrial consumer goods will cease to exist as a /nationwide industry/ by the year 2000.

I do not see this as any tragedy. As we enter the world economy, we cannot retain everything—even the last "Rekord" [reference unknown]. It is a question of either-or. Incidentally, it would be no bad idea to exchange our lost "Rekord" for the "S-300" system that we have sold abroad. Organizing the strategic administration of this kind of structural change is another matter. No such organization is in place.

The situation on the domestic market will remain difficult for two or three years as a result of the cutthroat competition from foreign entrepreneurial structures. Unable to resist this onslaught, many Russian enterprises and banks will make knee-jerk appeals to the state. All the more so as the situation is dynamic and could change still further. Since there is no state strategy as yet the political force that skillfully plays up the notion of defending "our" producers can expect large amounts of money from people who do not want to share anything with foreigners, as well as considerable public support.

This subject will become a most marketable political commodity, which will be put to voters at the 1995-1996 elections. But even if it proves possible to sell, the victorious protectionists will hardly be able to achieve their ends. Consumers used to foreign food will rise up, along with their influential patrons among the mayors of major cities, and powerful Russian exporters will revolt. Duty barriers will be smashed, since they have long gone out of fashion in the world trading community. There will be a period when we get carried away by nontariff restrictions—duties will be low, but it will be difficult to get goods into Russia. That would seem to be all well and good, but under our conditions nontariff measures will result in excessive budgetary pressure and overadministration. The end result will be a new phase of upheaval and chaos.

IV.

A stable state strategy will, clearly, not take shape before 1997-1998. Only after this will the division of the domestic Russian market into Russian and foreign enterprises, banks, and finance companies become a controllable process. It will have been basically completed by the year 2000.

All this, of course, is just a prediction, it is by no means bound to happen. The problem is obvious, and it could be resolved far earlier with the consent of political forces.

Judging by everything, even *by the year 2000 Russia will be unable to reduce inflation to the rates typical in developed countries.* Although the inflation process will be reliably controlled and will not have a major negative impact on investment, the rate of price growth will remain at the level of 15-20 percent a year. I realize the hail of criticism that will rain down on my head. But I am convinced that attempts to suppress inflation immediately will do more harm than good. Jumping a barrier 10 meters high is not on—we will fail and hurt our coccyx. It would be better to climb it.

However much we all (me included!) might like it, it is unlikely to be possible to achieve any more—for instance, getting inflation and interest rates down to 5-10 percent a year—in the next five years. The main obstacle is the relatively difficult economic legacy, which will take a considerable amount of time to overcome. I am referring to the inflexible labor market, the extensive defense complex—which geopolitical realities prevent us from squeezing—the existence of hundreds of company towns, and so forth.

Inflation and the fight against it will long continue to be complex economic problems for the country.

In particular, there are currently more than 400 company towns in Russia, and a considerable proportion of them are in the defense complex, which is not enjoying the best of times. Some enterprises are fundamentally unsuitable for conversion, and it cannot be ruled out that eventually they will simply have to disappear. Plants can be made to disappear, but people cannot. And saving at least 25 million people from the dilemma of "either the

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plant or the truck garden" will take considerable expenditure and a long time. This process will not be completed before the year 2000.

There will need to be further expenditure on conversion, agriculture, the coal industry, and social programs—particularly unemployment programs—payments on domestic and foreign state debt, and support for depressed regions. Considerable amounts of budget funds will be needed. These will result in at least 15-percent inflation by the year 2000.

The federal budget will remain in deficit, with the deficit parameters laid down in the IMF normatives. There is no getting away from it—the government will have to borrow money from the Central Bank. And it would be better to have a tried-and-tested plan for lowering the proportion of such loans as a percentage of the total deficit from 75 percent in 1994 to zero in 1998, than to enter zero in the 1995 budget. This last act is the same old desire to clear the 10-meter barrier and would have the same confusing consequences.

One of the most serious problems in drawing up the 1996 budget will be the payments on domestic state debt. We need to consider in advance not only ways to place state bonds but also, perhaps, mechanisms for restructuring state debt. We will have to be astute, postpone payments, engage in partial repayments, and so forth.

Operations with state bonds will become the main tool of the Central Bank's policy. The commercial banks will be divided into savings banks and investment banks. Savings banks will mainly rely on private savings. They will attract savings, give loans to investment banks, and the latter will provide loans to enterprises. Owing to the considerable amount of operations involving a high degree of risk, mass bank failures cannot be ruled out over the next year or two.

The ruble will become fully convertible and will be quoted abroad. Its position in the economic area of the former USSR will become so much stronger that the ruble will turn into the reserve currency used in transactions between the CIS states.

By the year 2000 the Commonwealth itself will have become very asymmetrical. Some countries will enter into a confederation with Russia, others will be happy with a customs union, while others will stick at the level of military cooperation without any movement toward economic integration.

There will be no mass unemployment in Russia. Its official level will not exceed 4-5 percent. The most difficult problems will be those of regional and particularly stagnant unemployment—which will be sizable and protracted. Several consistently depressed regions which will constantly require aid will emerge.

The moderate inflation of the second half of the nineties will somewhat reduce the level of society's stratification. This process is stabilizing and will be promoted by the development of consumer credit and other forms of the accelerated structuralization of the commodity market and the market for services for the population. As of 1996 it may be possible to embark on the payment of compensation for savings destroyed by inflation in 1992. The first steps—defining the procedure for this operation, for instance—could be taken in 1995.

V.

The burden of unresolved social problems will, however, remain heavy.

By the year 2000 the process of the dividing up of property will be nearing completion. After the end of the monetary phase of privatization the following sectors will dominate the Russian economy:

—budget-funded [kazennyy] enterprises under complete state control; they will predominantly be run by administrative methods;

—enterprises with mixed capital, where the state will own certain assets while not having a controlling stake;

—open-type joint-stock companies, which will have the leading role;

—small and medium-sized businesses.

We need to be ready for *many enterprises which are owned by labor collectives finding themselves in extremely difficult circumstances* in the next two or three years. Methods that proved attractive during the period of the division of property and the slump will be unsuitable on the eve of an upturn. When investment and competitors are surging ahead, any unreceptiveness to new technology, high labor-intensiveness, managerial inefficiency, and limited opportunities for raising investment will be revealed. There is still time, and we need to work out mechanisms (legislative and organizational) that will make it possible to convert such enterprises into open-type joint-stock companies in good time.

In the next few years the economy will start to be covered with a dense network of nonstate corporate organizations—from the Tambov Abattoir Owners' Guild to the Association of Russian Banks. A number of the functions of state organs will devolve to them. This will both reduce bureaucracy and strengthen democracy.

But if you want rights, you should take them only in conjunction with responsibility. That is not the case as yet. In the wake of "Black Tuesday," the same Association of Russian Banks issued an appeal expressing "concern" and stating that commercial banks were not involved in what had happened. And there was not a single word about what the banking community had /really/ done to prevent or at least remedy the situation.... Mr. Yegorov should not take offense, but this kind of statement could have been issued by the Gogol Boulevard Domino Players' Union.

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The federal government will become more compact by handing o er some of its powers to local level and to corporate organizations. It will still have to be stripped of certain accretions that were formed from the former sector ministries during the transitional period. There will be two first deputy chairmen in the government. One will head the Commission for Current Issues, while the other will head the Commission for Strategic Planning, which will work out the strategic line of economic policy.

In 1995-1996 there will be a major demarcation of jointly owned assets between the center and the regions—particularly when it comes to resources. A satisfactory solution will be found to the problem of *mortgaging* these resources, which will make it possible for the regions to raise considerable amounts of investment from abroad and to give impetus to reform. Taxes will increase. But so will responsibility, when oblast leaders can no longer say to local leaders: "I am poor, ask Moscow for money or you'll freeze this winter."

The center will undertake to ensure, at least at a minimal level, people's main socioeconomic rights, a unified monetary, budgetary, and customs system, common economic legislation, support for depressed regions and areas with extreme natural conditions, the distribution of state property vertically between authorities (whereby the federal center and regional and local organs of power will retain control only of what they need to exercise their powers), the development of a unified infrastructure (power generation, transportation, communications, space, and computers), and incentives for the formation and development of transregional corporations. The rest will devolve to the regions.

Shokhin on Economic Reform, Policy Outlook

MM1511094994 Moscow OBSHCHAYA GAZETA in Russian 11 Nov 94 p 5

[Interview with Aleksandr Shokhin by Aleksandr Protsenko under the "Prognosis" rubric; date and place not given: "Shokhin Has Gone. We Remain. Interview with the Russian Ex-Vice Premier on the Desirable and Possible Paths of Economic Reform"]

[FBIS Translated Text] [Protsenko] Aleksandr Nikolayevich, what if you had not resigned? What economic policy had you intended to carry out next year and beyond: What would have been the aims, the means, and the result?

[Shokhin] The government program was expressed in the draft budget for 1995 presented in the State Duma. Essentially this program is a concept for the medium-term development of economic reform. But let us bear in mind that few people will read this document. And therefore let me attempt to decipher what the government intended (and, I hope, still intends!) to do in the near future.

The thrust of the program is to achieve economic stabilization in 1995. I understand how fed up Russian citizens are with these promises: This is not the first year that the government has been talking about stabilization. But we assessed the real situation at the present time and reached the conclusion that, this time, such an opportunity really does present itself. Above all there will soon be an opportunity to "kill" inflation, moving over to annual calculations of the inflation rate instead of the current monthly calculation.

[Protsenko] Five to 7 percent inflation per year?

[Shokhin] Well, the best indicators this year have been 5-7 percent per month. But we began with 12 percent. Today it is a question of not having more than 30 percent inflation per year, and moreover, achieving 1 percent inflation per month in the second half of the year. This is already low inflation, and a better figure cannot be achieved at the present time: There are still factors in the Russian economy which objectively condition price increases—we still have a number of prices lower than world levels, the pricing structure has not been put in order, and so forth. But to get inflation down to 1 percent per month is entirely realistic.

Moreover, we now have an opportunity to do this not by decreasing budget expenditure or reducing the deficit. And we simply must not do either at the present time, because social expenditure cannot be reduced any further. And we set down in the draft that the level of budgetary expenditure against GDP next year should not be lower than this year's level—roughly 22 percent. The proportion of basic social expenditure should also be no lower than this year. That means that another lever in the battle with inflation is needed: not the reduction of expenditure, but a search for noninflationary sources of financing the budget deficit (and the deficit will remain approximately at the level of 8 percent). Such sources could be internal borrowing—the sale of state securities; and foreign borrowing—the attraction of credits from international financial organizations.

We have used these sources before, but on an extremely small scale. The state securities market as a whole has only been finding its feet. The main source for covering the budget deficit has been Central Bank credits—moreover, preferential credits, at 10 percent per annum. But where did the bank get this money from? You can say that it plucked it "from thin air." This was money that was printed, producing inflation.

We now have an opportunity in 1995 to replace this inflationary source with a noninflationary source. First, several international loans have come around at once, and the level of these loans has moreover been increased, by roughly 50 percent—we managed to achieve this in negotiations....

[Protsenko] You managed! You personally, Aleksandr Nikolayevich, as "Russia's chief negotiator," isn't that right?

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[Shokhin] Let us talk about something else for the moment. So, instead of inflationary money from the Central Bank, the budget can next year obtain noninflationary dollars from international loans. Furthermore: We planned to float inside the country state securities worth 42 trillion rubles [R]—this noninflationary money will also go to cover the budget deficit. In this way, without forcing the Central Bank to print money again, we would be able to beat down inflation to the minimum level. Then we would have an opportunity to lower interest rates on loans to an acceptable figure, given which credits can be used (and profitably too!) for investment in production—which means the beginning of serious economic recovery.

[Protsenko] However, Russia's external and internal debts will both grow considerably in 1995 alone. And a debt needs to be serviced, the interest paid, the debt paid off—and this is all a strain on that same budget!

[Shokhin] Perfectly correct! But we must have only one such year of living on credit. By beating down inflation and stimulating production, as early as the following year, 1996, we expect to be able to seriously extend the fiscal base. The system of tax collection should also find its feet in the course of next year. In order to make this timetable of stabilization and economic recovery a reality, we have proposed to our foreign creditors a new scheme for restructuring the former USSR's debts—leveling out the timetable of payments, so that there are no "peaks" within the next few years.

In this way the government's medium-term program was based on a whole system of structural maneuvers, as a result of which 1995 is the year of completing financial stabilization, 1996—the beginning of the revival of production, and in 1997 we can expect real results from the implementation of this policy—a growth in the standard of living.

[Protsenko] How realistic is this program?

[Shokhin] I saw several difficult elements in it. Above all, to float state securities worth R42 trillion among the commercial banks is a fairly difficult task (as of today securities worth R5 trillion have been floated). Currently this nervousness is on the increase, because confidence in the financial market has been somewhat undermined—partly following the accusations against a number of commercial banks that they are...speculating on the exchange. But that is why the exchange exists! It is our problem—the government's and the Central Bank's; we were not able to modify the technology of currency trading in time, we allowed too many rubles to be pumped into the system, and, as a result, the debacle of 11 October became possible. And the banks and the commercial structures naturally capitalized on the opportunity presented to them and made profits—that is what the market is for!

Anyway, "if I had been the director..." I would have thrown all my efforts into restoring confidence in the government's economic and financial policy and not giving the banks grounds to move away from collaborating with the government—otherwise you will not manage to sell the necessary amount of state securities, additional "holes" will appear in the budget, and the whole financial stabilization program will collapse.

Of course, at the same time it is necessary to improve the mechanisms for regulating the state securities market, the currency market, the exchange business market, and so forth—so as to prevent "Black Tuesdays," which really undermine confidence in government policy. But without resorting to extraordinary methods.

[Protsenko] So the program is clear. But it was elaborated by one "team" and had one overseer—yourself. Now the "team," to put it mildly, is different, and there is a different overseer. What bits of the program might not be done for various reasons?

[Shokhin] When it comes to "technical" difficulties, I see two. One of these I have already mentioned—the difficulties involved in floating the internal loan. There could also be complications with obtaining international credits within the necessary time frame—then the temptation would arise to avail ourselves, in order to cover the budget deficit, of the old, tried-and-tested method of Central Bank credits. Here it is necessary at least to construct a system of tight restrictions, so that at least this borrowing is "market-led."

However, we have not yet missed the boat, and it is necessary to fight to see that the scheme proposed in the draft budget is implemented. At any rate, we must not abandon the old budget ideology—it would be very galling not to take advantage of the new opportunity of carrying out a noninflationary budget policy.

As for personnel reshuffles, here we should not allow a hiatus in the implementation of economic policy. The minister of finances should spell out where he stands on specific budgetary problems. There should be no hiatus in the appointment of an economics minister, who must also clearly state his position. Moreover, the candidate for this post should not be a casual choice, even if he is a figure from the president's inner circle (Footnote 1) (A reference to Sergey Bolshakov, who on the following day was appointed vice premier with responsibility for the CIS). An economist is needed here, and a macroeconomist at that—for example, Professor Yasin (Footnote 2) (on the following day Yevgeniy Yasin was appointed minister of economics). There are other people, on whose candidacy I cannot insist, but I do have a right at least to express my opinion, don't I?

[Protsenko] And how do you assess the appointment of Anatoliy Chubays as first vice premier with responsibility for the government's economic policy?

[Shokhin] In view of the abruptness of my departure, it was probably difficult to make a better decision on the spot. But I would not like for Anatoliy Borisovich's

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appointment to stir up the whole Duma opposition, which will probably train all its big guns on Chubays. True, he can take the flak. Nevertheless, I foresee additional difficulties in the ratification of the budget. And in principle, if you examine all the appointments together, I have already heard the opinion expressed that the president has twisted the Duma around his little finger: On the one hand he has brought Nazarchuk into the government, but on the other he has increased the radicalism of the cabinet as a whole.

[Protsenko] But you spoke about another danger: not obtaining credits from abroad in time. Who should replace you in the position of chief negotiator?

[Shokhin] On the issue of loans—Minister for Foreign Economic Affairs Oleg Davydov (Footnote 3) (on the following day Oleg Davydov was appointed Russian vice premier).

[Protsenko] The very person who only recently stated that Western creditors should write off half Russia's debt? And do we hope to obtain new credits—and larger ones at that—with such a negotiator?

[Shokhin] Overall, a fairly tricky situation is emerging, of course. Only quite recently I had to repudiate the minister and reassure our Western partners. Who knows how their relations will shape up now? It is a natural thing for people to change their opinions. But I put myself in the position of our partners and think that they will want to wait a bit and ascertain whether Russia's position as regards its external debt has indeed changed. But we do not have the time. Incidentally, the credits of which I spoke are by no means as good as in our pockets yet. We need to hold tough negotiations to see that we get them in time. We have managed to reach agreements in accordance with which the basic stabilization credit is to be increased from $4 billion to $6 billion, but there is a host of technical methods for stalling the allocation of this loan. For example, the money can be doled out in small portions, promising the main part by the end of the year depending on the implementation of the economic program—but we need this loan, at the very least in equal installments spread across the whole year! In short, difficulties are possible, as they say.... Hence Oleg Davydov also needs to force the pace of events, to convince our partners that government policy remains unchanged....

[Protsenko] Something you yourself were able to do with great success. Do you not regret what you have done? Maybe it wasn't necessary to do as you did: resign as soon as you heard of Panskov's appointment!

[Shokhin] The premier said to me as follows: Why were you in such a hurry—no prior discussion, no attempt to work a little with Panskov.... But the point is not who the new finance minister is—although his is a key post. I have no prejudices as regards Vladimir Panskov. The point is not who was appointed—but how this was done. I was given to understand in no uncertain terms that either I would henceforth not be handling financial questions, or that I would be responsible for the Ministry of Finances on a purely formal basis. And it was the same picture as regards the post of minister of economics. It was already well known that this post would be separated from the vice premiership, but no one asked me who I wanted to see in the ministerial post. Who was I supposed to "coordinate," and how? Even if I had remained vice premier just for foreign relations, even then I would have had one hand tied behind my back, as it were, not having the possibility of answering for my words or keeping my promises.... And when there is no possibility of doing the job the way I see it, it is better to leave. At least no one will say that Shokhin does not care with whom he works or what he does, just so long as he stays in the cabinet....

Premier Seeks Banks' Support for 'Breakthrough'

MM1411131594 Moscow IZVESTIYA in Russian 12 Nov 94 pp 1,2

[Report by Ivan Zhagel: "V. Chernomyrdin and A. Chubays Visit Place Where the Ruble Collapsed"]

[FBIS Translated Text] On Friday 11 November, Russian Premier Viktor Chernomyrdin accompanied by First Deputy Premier Anatoliy Chubays visited the Moscow interbank currency exchange.

To be honest, this visit was little different from the tours of enterprises and kolkhozes by top state leaders that we remember well from the recent communist past. The only difference is that whereas in the past officials used to crumble earth in their hand or crush an ear of grain and sniff it, on this occasion the premier toured the hall where state short-term bonds are traded, heard an account from A. Zakharov, the exchange general director, talked with keyboard operators [operatsionistka], and asked what the many computer screens showed. Of course, all this was hardly conducive to helping the work of the exchange itself or to giving our premier himself a professional insight.

On the other hand, however, this visit could be attributed to simple human curiosity. Especially since the events that unfolded here recently during "Black Tuesday," as it is known, posed a considerable threat to Viktor Chernomyrdin and cost several high-ranking officials their jobs.

The second part of the visit to the exchange was far more interesting. During it the Russian premier met with the chairmen of the major Russian commercial banks and discussed a whole series of vital present-day problems with them. It is interesting that he immediately tried to limit the discussion to events at the currency exchange at the start of October and to the conclusions reached by the state commission which has studied the aftermath of "Black Tuesday." The feeling is that the premier himself does not like the idea of a commercial bank conspiracy.

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He clearly prefers to talk about facts rather than discuss all kinds of fantastic stories.

But the main thing today, in the premier's opinion, is how to ensure an economic breakthrough in 1995 and create the conditions for the fulfillment of the tough budget proposed by the government. An important role here is assigned to state securities: The aim is to use them to attract substantial funds from the population and enterprises to cover the budget deficit. In the light of that problem the meeting with the exchange leadership and representatives of the leading commercial banks is quite logical. On the whole the bankers supported the government's plans to sharply expand the market in state securities, although at the same time they expressed fears that by this method the government might divert substantial funds from the banks and restrict direct investments in the economy.

Considerable time at the meeting was devoted to a discussion of questions relating to the Russian currency market. Various opinions were expressed, but the conclusion may be drawn right now that the plans of the government itself and of the Central Bank include changes to the whole practice of setting the exchange rate. In any event, the Central Bank will be guided not only by the results of currency auctions but by indicators of other segments of the currency market. Furthermore, as the bankers stated, they have not examined the basis of the new mechanism even in draft form and consequently had nothing specific to say apart from expressing fears that the market might be regulated.

V. Chernomyrdin did not hide the fact that he had arranged the meeting not to criticize or berate the commercial banks but to enlist them as allies in implementing economic reforms.

Finance Minister Promises Action To Improve Tax Collection

LD1411125294 Moscow INTERFAX in English 1201 GMT 14 Nov 94

[FBIS Transcribed Text] The Russian Finance Ministry and the State Tax Service have planned steps to improve tax-collection, Finance Minister Vladimir Panskov told the Financial Information Agency in an exclusive interview.

Today large sums remain untaxed due to cash circulation, he said. Cash settlements are not registered on any accounting documents, Panskov stressed. "We have planned measures to control cash turnover. They are not simple though, and some require legislative backing," Panskov said.

The minister said that thanks to decree No. 1006, which limits companies to having one bank account, the mechanism of cooperation between the tax service and banks has started working. Despite this, in Panskov's opinion, in the first quarter of 1995 this part of the decree ought to be changed, allowing companies to have several accounts, because the requirement has created great difficulties for honest tax-payers as well. "While we are after the unscrupulous, everyone gets in trouble," Panskov said.

Spokesman Notes Increased Tax Revenues

LD1511130594 Moscow ITAR-TASS in English 1238 GMT 15 Nov 94

[By BUSINESS-TASS correspondent]

[FBIS Transcribed Text] Moscow November 15 TASS—Tax revenues to the Russian federal budget went up by 3.6 times this year in comparison with 1993, a spokesman for the Russian state tax service told BUSINESS-TASS. The revenues were increased mostly thanks to the excise duties on alcoholic drinks, specifically the excise duties on beer, which were increased by 8.14 times as against the corresponding period of 1993, says a report on the situation with the coming of state taxes and other mandatory payments to the budget, which existed on November 1, 1994.

Revenues from operations with securities went up by 14.94 times in comparison with 1993. Taxes on land went up by 4.93 times, and revenues from the property tax went up by 8.55 times. Revenues to ecological funds also showed a perceptible increase—by 9.69 times. The most spectacular monthly growth was also registered in that sphere: in October the revenues increase by 6.87 times in comparison with September.

Official Favors Oil Export Quotas

LD1411125994 Moscow INTERFAX in English 1202 GMT 14 Nov 94

[FBIS Transcribed Text] It is expedient to retain quotas for oil and oil product exports into next year, said Deputy Minister of Foreign Economic Relations Andrey Dogayev.

"Such is the stand of my ministry and my own stand," Dogayev told INTERFAX. According to him, this viewpoint is shared by most government members, and by the relevant ministries, such as the Fuel and Energy Ministry.

Motivating the need to maintain export quotas for oil, Dogayev said, this year, thanks to the regulation of oil exports and strict government control, the contractual prices of oil supplies from Russia became closer to world prices, for the first time in many years, and reached 99 percent of their level.

A different picture is observed in the area of strategic commodities, where export quotas were cancelled, he said. For instance, the cancellation of quotas for copper exports resulted in the fact that the contractual prices of copper fell to $1499 for one ton, while the world price was $2136. The same happened in the nickel trade - the contractual price was $5000, against the world price of $5986.

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According to Dogayev, if the export quotas for oil are cancelled, a sharp fall in the contractual prices will take place. The situation is complicated by the vast gap between the export prices of oil and the domestic prices. The export prices are $110 - $115 for one ton, while the domestic prices in their ruble equivalent are lower by two-thirds. If the export quotas for oil are cancelled, its exports will become considerably more profitable than sales in the domestic market, even at lower prices. As a result the country will be left without fuel, Dogayev said.

According to the information available to Interfax, the issue of maintaining or cancelling the export quotas for oil and oil products in 1995 is being considered by the government. It may be resolved this week by the commission for urgent issues.

Emergency Action To Staunch Brain Drain Urged

MM1511114794 Moscow IZVESTIYA in Russian 2 Nov 94 p4

[Article by Vladimir Zakharov and Vladimir Fortov, academicians of the Russian Academy of Sciences: "Science Is Already in a Coma"]

[FBIS Translated Excerpts] [Passage omitted] According to the experts, expenditure on strictly scientific research has recently been reduced 30-50 times over. The proportion of Russia's gross domestic product allocated to science has dropped to the ludicrously low level of 0.5 percent. This is the level of the most backward, poorly developed countries. India, Brazil, and Mexico now spend a more substantial proportion of their budget on science than we do. You can find foreign scientific journals from the period 1941-1945 in any technical library: Subscription did not stop even during the Battle of Stalingrad! Nowadays, however, the thin stream of foreign scientific literature is mainly sustained by the philanthropic Soros Foundation.

According to the State Committee for Statistics, only 17 percent of scientists receive a wage higher than the official subsistence minimum, and the average wage of scientific workers refuses to budge from 10th place among the 11 leading sectors of the national economy. This, of course, in no way corresponds to the complexity and skill of the work done by scientists. The natural result of all this is a total brain drain out of and within the country.

The brain drain out of the country—a phenomenon shameful for us, but typical of poorly developed countries in the Third World—has now taken on the nature of a mass stampede. Whereas the prospect of finding work in the West is problematical for older and middle-aged scientists, there are virtually no problems for young scientists. In the same way, there is essentially no alternative to their leaving: In August a postgraduate grant at Moscow's prestigious Physicotechnical Institute amounted to 25,000 rubles [R]—six times less than the subsistence minimum. The mechanisms for transporting talented senior students and postgraduates to the West have been set up, fine-tuned, and are working perfectly. Another very serious problem is the brain drain within the country: Young scientists leaving science, usually to go into business. Statistics show that 80 percent of students at Russia's higher technical schools have no intention of working in their chosen field: They will either go abroad or go into business—in short, they will be lost as far as our science and education are concerned.

Most economic and social difficulties are reversible. For example, given favorable circumstances, a slump in output can be followed by a rapid upsurge (Germany, China, and Japan). Demographic problems can also be reversed, albeit with great difficulty. The destruction of science, however, becomes irreversible if it reaches a critical point. [passage omitted]

We know that our concern and alarm about the crisis that has hit Russian fundamental science is shared by the entire international scientific community. First, it is now becoming increasing obvious that Russian fundamental science is international property and that its loss will be an irretrievable loss for the whole of mankind, comparable to the destruction of an entire civilization.

Second, the international scientific community clearly understands that the global problems facing mankind can be tackled more effectively by free and equal cooperation, rather than by competition for prestigious places in Western universities. A considerable number of these problems accumulated during the Cold War years. There have been dozens of destructive earthquakes, an AIDS epidemic has broken out, the ecological state of our planet has considerably deteriorated, the energy situation has become exacerbated, the ozone layer is breaking down, and global warming is developing. Passively waiting for future catastrophes would be the most shortsighted strategy for mankind. It would be far more sensible to channel the intellectual forces released by the end of the Cold War into analyzing the potential dangers lying in wait for mankind and into working out coordinated methods to combat them. The best way to do this would be to organize a series of international projects that would be totally open and financed collectively by all developed countries. Even in its present disastrous state, Russian fundamental science would be a worthy participant in such projects.

The country's leadership and its parliament must take decisive, well-considered, and, most important of all, urgent steps to save science. We are talking about modest amounts (3 percent of gross domestic product), the allocation of which would have no appreciable impact on our economy but could fundamentally change the situation in science.

The first step should be to stop the brain drain out of the country. Unless this key problem is solved, all other measures relating to science policy become meaningless. This could be done by setting up a system of "targeted"

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support for talented young scientists and, no less important, for prominent scientists and their schools of science. Naturally, this support must be conducted openly and on a competitive basis. The positive experience of existing funds—primarily the Soros Foundation and the Russian Fundamental Research Fund—could be taken into account. The relevant proposals have in fact already been drafted, discussed, and approved at a government session on the brain drain problem in June this year. According to preliminary estimates, some $100 million must be allocated per year for this purpose. That is equivalent to the average income from the operation of just one oil well.

In addition to mobilizing internal resources, attention should be drawn to the possibilities of the G-7. This organization has already set up a system of funds for Russia with resources totaling approximately $10 billion (funds to support privatization, small businesses, stabilization of the ruble, and so forth). Setting up a new fund under the aegis of the G-7 to support fundamental science and education in Russia with a budget of approximately $1 billion for a five-year period would be a logical continuation of this activity and a real contribution by the West to the task of creating a new democratic Russia. This fund's work would not be based on simple philanthropic support, but on the implementation of scientific, technical, and educational projects in conjunction with Western scientists that would be of benefit to all countries concerned. Projects utilizing Russia's unique and expensive scientific test units, test sites, and equipment, which would require inordinate effort and expenditure to set up in the West, could be of special interest. Our foreign colleagues have shown interest in the idea of such a fund and are prepared to put specific proposals to their governments. We are talking about 10 percent of the resources already allocated by the G-7, some of which could be made available on a returnable basis. Relevant proposals have been drafted and sent to the Russian president on behalf of a number of academicians.

The measures we propose are urgent and designed for a period of up to five years. During this time, we hope, the economic situation in Russia will stabilize and the country will be able to support its science itself. Until then, the situation is catastrophic and requires emergency measures.

Military & Space Issues

Yeltsin Addresses Top Military, Maps Out 1995 Tasks

LD1411203694 Moscow ITAR-TASS in English 1728 GMT 14 Nov 94

[FBIS Transcribed Text] Moscow November 14 TASS—Russian President Boris Yeltsin, who is also commander-in-chief of the Russian Armed Forces, addressed the Russian top military on Monday [14 November] to sum up the results of military construction in Russia in 1994 and map out tasks for 1995.

Following are excerpts from President Yeltsin's speech:

On global military threat:

The end of the cold war and the reduction of nuclear and conventional weapons have lessened the threat of a new world war. Russia's nuclear shield has also played a role as a reliable containment factor. At the same time, positive changes in the international situation do not mean that the problem of military threat has been eliminated. The president pointed to the "real possibility that Third World countries may get nuclear-missile weapons. The possibility of their use by these countries is also growing."

It should also be remembered that political, economic, territorial and religious contradictions still exist in the world. The production of new weapons continues. "All this is fraught with a potential expansion of the existing and the emergence of new military conflicts in which Russia can be involved due to its geopolitical and geostrategic interests," he said.

On Russian-American relations:

Following the Republicans' victory in the U.S. Congressional midterm elections, president Yeltsin did not rule out the possibility that some "toughening of the U.S. position towards Russia in foreign policy and the military sphere can be expected." He stressed the need to seek "new contacts with Republicans in order to balance our relations."

On the leadership of the Russian Defence Ministry and the situation in the Russian Armed Forces:

Assessing the performance of the Defence Ministry leadership, Yeltsin said that it has worked very hard to build and train the armed forces. He cited the well-organised withdrawal of army units from abroad as an example. The ministry has been successfully handling the problems of peace-keeping and establishing mobile forces, he added.

The president said the armed forces will be reduced by 385,000 in 1994 to reach 1,917,400 by January 1, 1995.

At the same time, he pointed to the slow reorganisation of the administrative structures of the army, low mobilization readiness and lack of progress in introducing the system of contract service. In addition the level of combat capability does not fully meet the requirements, he said. The president also criticised the Defence Ministry and the government for their failure to promote a positive public attitude towards the armed forces.

On military discipline, law and order:

President Yeltsin expressed concern about discipline, law and order in the Russian Armed Forces. He particularly pointed to draft dodging and vicious hazing which

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account for a considerable number of crimes in the army. The president also mentioned thefts of weapons and material means.

On social problems facing the military:

The president expressed satisfaction with the implementation of the state programme of building housing for the military in 1993-1995 and providing them with social welfare benefits. Yeltsin has asked Prime Minister Viktor Chernomyrdin to monitor this issue and provide the necessary funding for the army. "The problems of funding cannot be solved by the armed forces alone. Let's not push towards commercialisation for it has more important tasks to solve," he said.

On the use of weapons and military hardware:

President Yeltsin said the work to eliminate weapons and military equipment and to ensure nuclear and radiation safety at storage sites has been moving very slowly. He described the situation in this sphere as extremely difficult. Yeltsin warned that the inadequate funding may lead to various incidents. In particular, a big number of submarines withdrawn from service and not subject to elimination have been standing idle with loaded reactors, he said. This problem is directly connected with the country's nuclear security and must be solved on the governmental level with the participation of all concerned ministries and departments, the president said.

On the army's tasks for 1995:

Speaking about the army's tasks for 1995, Yeltsin said "we must make considerable progress in rebuilding a worthy army for the Russian state." The president said the army's main task is to "maintain combat and defence capability on the level sufficient to ensure the country's security under any circumstances."

The president said that in 1995 the construction of the armed forces must be completed and their strength reduced to 1,800,000 troops by January 1, 1996. The army and navy training programmes should concentrate on teaching their troops how to act in local wars and conflicts, taking into account a potential military threat to Russia.

On military cooperation with CIS countries:

Yeltsin stressed that military cooperation with CIS countries should be based on the need to strengthen collective security, develop ties and boost relations between the armed forces of the member states.

Further on Military Conference

MM1511110194 Moscow KRASNAYA ZVEZDA in Russian 15 Nov 94 p 1

[Report by Anatoliy Dokuchayev: "Look of Armed Forces Becoming Increasingly Worthy of a Great Russia, Stated Boris Yeltsin, Russian President and Supreme Commander in Chief of the Russian Federation Armed Forces, at 14 November Moscow Conference of Army and Navy Leading Personnel"]

[FBIS Translated Text] Taking part in its work were Russian Federation Prime Minister Viktor Chernomyrdin, First Vice Premier Oleg Soskovets, leaders of ministries and departments, and representatives of the president's apparatus and the Federal Assembly. Army General Pavel Grachev, Russian Defense Minister, opened the conference.

The year of 1994 is an epoch-making one in the organizational development of the Russian Federation Armed Forces. In particular the improvement of groupings of troops and forces continued, the Mobile Forces' creation proceeded, the withdrawal of troops from the territory of foreign states was completed, military bases were created in Georgia and Armenia, and measures were planned and implemented in the sphere of combat and operational training. This year over 50 operational exercises and staff training sessions have been carried out, including in the strategic echelon. Conceptual plans are being elaborated for building the army and navy in the 21st century. These and other questions have been resolved with great difficulties of an objective nature, which has affected the progress of military organizational development. All this also determined the nature of the debate at the conference, which summed up the results of the organizational development and training of the troops in 1994 and also specified tasks for 1995.

Opening the conference, Army General Pavel Grachev stated that the Armed Forces can safeguard Russia's national security, they are controllable and combat-capable. Today the Strategic Nuclear Forces remain the main guarantor of security and a deterrent factor against possible aggression. In 1994 there was an increase in the troops' combat readiness. In particular it was noted that combat training launches of strategic missiles were successfully carried out, demonstrating the professional skill of the Strategic Missile Forces and the Northern Fleet submariners. All the Defense Ministry's work was carried out in accordance with military doctrine and the president's message to the Federal Assembly.

The conference was addressed by Russian Federation President Boris Yeltsin, who analyzed the results of the Armed Forces reform in 1994.

The organizational development and training of the army and navy, he said, took place under complex conditions both within the country and in the international arena. Positive changes do not mean that the problem of the threat of war has been removed from the agenda. By virtue of our geopolitical and strategic interests we must make heightened demands on the troops' training, the president noted. In connection with the Republicans' victory at the midterm elections in the United States we can expect some toughening from the United States on questions of foreign policy and in the

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military field, Boris Yeltsin said, also saying that contacts must also be set up with the Republicans "in order to smooth out our relations."

This year the Russian Defense Ministry's leading personnel performed a large amount of work, the Russian Federation president noted. In particular the withdrawal of troops from countries of the far and near abroad was called a very important success for the current year. The Defense Ministry is performing its peacekeeping missions to a high standard.

It was also noted that the planned reduction of the Armed Forces is under way. This year they have been reduced by 385,000. As of 1 January 1995 their numbers will be 1,917,000.

The State Duma, the president then said, must complete work on finishing the law "on defense."

Boris Yeltsin also dwelled on the solution of questions of nuclear security arising in particular in the Navy and on nuclear submarines. They must be resolved at state level, with the participation of all departments involved.

The president included among shortcomings the dilatory improvement to the table of organization structure, especially in the central apparatus. There are also problems with troop staffing. In the Armed Forces the chiefs' strict responsibility for their subordinates' combat readiness is not ensured, there are discipline problems, and the loss of weapons and material assets is continuing. Some generals and officers, the president said, are working only feebly among the troops. Boris Yeltsin was critical of the way in which questions of the servicemen's social security are resolved.

He demanded that head of government Viktor Chernomyrdin, who was present at the conference, ensure full financing for the Armed Forces. "The Armed Forces themselves will not resolve the problem of financing and they cannot be pushed onto the commercial path—they have important tasks of their own," the president stated. He noted that the government's efforts are also inadequate in forming a positive attitude toward the army in society.

The Supreme Commander in Chief defined for the Armed Forces the main tasks for 1995. He cited among the chief ones the need to maintain the troops' combat readiness under any conditions, indicating the importance of implementing measures under the plan for the Armed Forces' organizational development.

The president expressed the desire to meet with the commanders in chief of the branches of the Armed Forces and gave instructions to the defense minister to coordinate the schedule for these meetings. Boris Yeltsin intends to hold meetings with each of the military chiefs.

In conclusion Boris Yeltsin noted that despite any difficulties the look of the Armed Forces is becoming increasingly worthy of a Great Russia and the prospects for military organizational development as a whole are becoming more definite. The president voiced the certainty that the efforts, knowledge, and experience of the command staff will be aimed at the high-quality solution of the tasks set the Armed Forces for 1995.

Boris Yeltsin thanked the participants in the conference for their service to the fatherland.

A report on the state of the Armed Forces' organizational development in 1994 and the troops' operational and combat training was delivered at the conference by Colonel General Mikhail Kolesnikov, chief of General Staff of the Air Force. The speaker noted that this year's tasks have been mainly fulfilled. On the basis of specific factual material he analyzed the state of affairs in all branches of the Armed Forces and in the military districts and fleets and dwelled on the defense minister's demands on combat and mobilization readiness and the consolidation of law and order and military discipline.

Grachev Resignation Expected in Moscow Meeting

LD1411194094 Moscow Russian Television Network in Russian 1725 GMT 14 Nov 94

[Passages within quotation marks recorded]

[FBIS Translated Text] [Announcer Sergey Dorenko] In Moscow today top officers have held their biggest meeting this year. Commander in Chief Boris Yeltsin met the generals. Western agencies expected that [Defense Minister Pavel] Grachev would be removed from office during the actual meeting. But that did not happen. Army people have ways of their own. The president tried so hard to show that he cared about the Army that he scolded (Prime Minister Viktor) Chernomyrdin for not providing enough funds, thus creating the impression that the budget was being compiled in secret from the president.

General [Aleksandr] Lebed, the army's favorite, was present at the meeting. Media people were waiting for his speech but, as it turned out, in vain. According to eye witnesses, Lebed had an opportunity to make a speech but he must have decided against it. The generals in fact tried to say nothing. It seems they were waiting for one to one meetings with the president before speaking up. Yeltsin has instructed Yuriy Batulin, his aide on security, and Grachev to organize these meetings. Grachev's resignation will not take place until Yeltsin finishes talking to the majority of association commanders about the state of affairs. Yeltsin will hardly backtrack on his plan, despite the fact that he may be criticized by the military at the Duma, whose representatives, incidentally, were refused entry to the meeting.

[Sergey Yushenkov, identified by caption as State Duma deputy [Duma Defense Committee chairman]] "That is just ordinary mindlessness. Nothing can be more preposterous than refusing entry to someone who is in charge of

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the working group investigating classified articles of the defense budget to a meeting of the Defense Ministry collegium."

[Dorenko] Today Yeltsin attacked press reports on the Army and said that the state television issue will be resolved easily, but that it will be more difficult to sort out the newspapers.

[Yeltsin] "Efforts by the Defense Ministry and the government to form positive public opinion on the Army and the Navy and to raise the prestige of military service are insufficient. As far as television is concerned, we are now taking measures [words indistinct]. But it is difficult for newspapers, of course. Therefore we must unite and join efforts [words indistinct] when inaccurate information is reported."

[Dorenko] At the same time, Commander Yeltsin probably forgot the Duma's criticisms. Admittedly, the Duma issue could also have been resolved through the joint efforts of the commander in chief and the military, as was done in the past.

[Yushenkov] "This has always been the Russian Army tradition, before the revolution, at least, for someone who is in charge of a unit to resign of his own free will. In some instances punishment was even more severe than just resignation. In the Navy, for instance, punishment was much more severe."

[Unidentified correspondent] "Do you mean to say that it is precisely up to Grachev and Burlakov to resign?"

[Yushenkov] "Of course. That would be the best way out for everybody."

Baturin Denies Grachev Resignation Rumors

LD1411203794 Moscow ITAR-TASS in English 2014 GMT 14 Nov 94

[By ITAR-TASS correspondent Tamara Zamyatina]

[FBIS Transcribed Text] Moscow November 14 TASS—"The question of political resignations in the Defense Ministry was not discussed either before or during today's meeting of the Army leadership," Russian President Yeltsin's National Security Adviser Yuriy Baturin said.

In an interview with ITAR-TASS on Monday, Baturin denied rumours about Defense Minister Pavel Grachev's possible resignation. He described them as "abstract and far-fetched theorization."

At the same time, Baturin agreed that Grachev's prestige has been marred by his recent interview with independent television's program Itogi, in which he said that he would not allow foreign sociologists into military units any more. Grachev also questioned the results of an ebert poll which claimed that he was not particularly popular in the Army by saying that telegrams from military units proved otherwise.

However, Yeltsin was clearly puzzled over the fact that the telegrams were signed by the wives and children of the military as he addressed the military brass in Moscow on Monday.

Asked if Generals Aleksandr Lebed and Boris Gromov—who are largely considered as Grachev's opponents—Baturin answered in the positive, but added that "if the armed forces leadership decides to stage an internal coup, it will not involve the political leaders of Russia."

Baturin described as hope-inspiring the fact that Finance Minister Vladimir Panskov and Minister of Economics Yevgeniy Yasin were taking part in the meeting. He believes this shows their growing concern for the Army and its needs.

The national security adviser pointed out that former Acting Finance Minister Sergey Dubinin had "ignored the president's orders and the premier's instructions to provide funds for specific Army projects." This had led in particular to the infamous incident when a strategic missile control center was cut off from energy supplies for its failure to pay the debt to the Moscow energy supplying company, he said.

Yeltsin Seen 'Ready To Sacrifice' Grachev

MK1511113094 Moscow KOMMERSANT-DAILY in Russian 15 Nov 94 p 3

[Commentary by Politics Department following report by Ilya Bulavinov: "The Supreme Commander in Chief Has Attacked His Generals"]

[FBIS Translated Text] Commentary [subhead]

It was only lately that Boris Yeltsin called Pavel Grachev the best defense minister in recent decades. (True, it is not clear why: Last October, by Yeltsin's own admission, Grachev's conduct was far from the best). In principle, the president's and prime minister's visit to the general could be regarded as a token of support for the defense minister prior to his report to the State Duma. But it seems that the president is ready to sacrifice Pavel Grachev to the deputies. This move is quite explicable if the situation is seen through the prism of the upcoming elections. The incumbent defense minister is not the man who will win Boris Yeltsin the army vote. And there is no hope that before 1996 Grachev's authority and popularity in the Armed Forces will grow.

There are several figures who could lay claim to the post of minister. The most likely candidates are Aleksandr Lebed and Andrey Nikolayev, chief of the Federal Border Guard Service. Boris Gromov, participant in the war in Afghanistan, closed off his way into the defense minister's chair by signing in 1991 "An Address to the People"—an ideological manifesto of the coupists. [passage omitted]

It is not ruled out that the idea of appointing a civilian defense minister with a subsequent redistribution in the

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powers of the Defense Ministry and the General Staff could be mulled again. In this event a very likely candidate for the minister's post is Grachev's current first deputy Andrey Kokoshin, who has good contacts with the defense industry and with Oleg Soskovets. The main problem in this situation is the military's categoric refusal to obey a civilian.

Striking Military Enterprise Receives Financial Aid

LD1411175594 Moscow INTERFAX in English 1653 GMT 14 Nov 94

[FBIS Transcribed Text] The personnel of a Moscow military enterprise who recently held a three-day strike received more than 30 million rubles as assistance from other defense enterprises.

The about 6,000 workers of the Geofizika enterprise were on strike on November 9-12, demanding payment of overdue wages.

"The money (the 30 million rubles) is material proof of solidarity with our struggle," Geofizika trade union leader Aleksandr Mazunov told Interfax on Monday. The chairwoman of the Moscow Committee of the Union of Defense Industry Workers, Valentina Fomina, for her part, said that "this form of support has been provided for the first time in the modern history of the Russian strike movement."

The workers of Geofizika, manufacturing high-precision electronic optical instruments, hoped the strike would draw public attention to the problems besetting Russia's entire defense industry. Geofizika general director Aleksey Fomin said the enterprise currently has in its storehouses 4.5 billion rubles' worth of equipment, which has been ordered but not paid for. Geofizika cannot market "what are unique products that can be used for civilian purposes - devices to spot breaches in underground central heating pipes, lead large- tonnage ships through difficult fairways, ensure flight safety in civil aviation, etc.," Fomin told Interfax.

Ministry Sells Carriers to Russian-RSK Group

LD1411162994 Moscow NTV in Russian 1454 GMT 14 Nov 94

[FBIS Translated Text] The Russian Defense Ministry has sold two major aircraft carriers, Minsk and Novorossiysk, which had been written off as scrap, to a Russian-South Korean joint venture. This was reported by the POSTFACTUM agency, which quotes the press center of the Pacific Fleet.

The Russian military will receive 60 percent of the proceeds from the sale. However, a spokesman for Gorbarets, a member of the joint venture declined to give either the total sum involved in the deal or a full list of vessels sold as scrap.

Report on Trains Carrying ICBM's Promised

MM1411143394 Moscow IZVESTIYA in Russian 12 Nov 94 p 1

[Unattributed report: "Secrets of Missile Train From Vasilek Station"]

[FBIS Translated Text] The train which you see in the picture taken by photojournalist Vladimir Mashatin [article is accompanied by picture of train with guards in front of it] does not appear in Ministry of Railways timetables. They do not sell tickets for it. But quite recently it was given the "green light" by the most rigorous and incorruptible traffic controllers of the Northern, Urals, and Siberian railroads, who themselves did not know what it was for or what its timetable was. Even their bosses in Kostroma, Bershet, and Krasnoyarsk did not guess what was hidden in the trains' 135-tonne freight cars bearing the customary inscription "Mail."

What these trains were carrying in the strictest secrecy was ICBM's. Three missiles per train. RS-22's (SS-24's, according to the NATO classification). With 10 nuclear warheads per missile capable of hitting any target within a 10,000 km radius....

IZVESTIYA's correspondents were the first to travel aboard this train.

The report by IZVESTIYA special correspondent Viktor Litovkin on the secrets of this and other missile trains will be found in the next issue of the newspaper.

Mir Cosmonauts Conduct Space Experiments

LD1511130694 Moscow ITAR-TASS in English 1259 GMT 15 Nov 94

[FBIS Transcribed Text] Mission Control Center November 15 TASS—The crew of the Mir orbital laboratory spent the past two days unloading the progress M-25 unmanned spacecraft and installing new equipment at the manned complex.

Today they started preparations for the refuelling of tanks of the Mir engine with the fuel from tanks of the cargo spacecraft.

The cosmonauts Aleksandr Viktorenko, Yelena Kondakova and Valeriy Polyakov conducted several series of experiments for measuring space irradiation and evaluating the condition of the materials, fixed on the outer surface of the orbital complex.

Valeriy Polyakov, a physician, who spent in orbit 310 days, will conduct today an experiment, whose purpose is to assess the health condition of an individual in conditions of weightlessness on the basis of the results of blood tests.

According to reports of the crew and the telemetric information, the flight is going on in a normal way. The cosmonauts are in good health and feel well.

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Federal Assembly

Deputy: Russia Should Look East After Republican Victory

LD1411132494 Moscow ITAR-TASS in English 1234 GMT 14 Nov 94

[By ITAR-TASS correspondent Anatoliy Yurkin]

[FBIS Transcribed Text] Moscow November 14 TASS—A Russian senator dealing with security problems shares the fear that the victory of the Republican Party in mid-term elections to the U.S. Congress may affect bilateral relations and proposed to look East to ensure Russian security.

"Special attention should be paid to relations with China, India and other countries of the region", Petr Premyak, deputy chairman of the Security and Defence Committee of the Federation Council, told TASS on Monday [14 November] commenting on the statement of the Russian president that the results of the U.S. mid-term elections can "toughen" relations with the United States.

"The warning of the president makes Russian politicians look for new ways in solving various state problems", Premyak said.

"It is important to build relations taking into consideration our national and security interests not only in this century, but in the next one as well", he stressed and added that Russia maintains traditional cooperation with China, India and other states of the region in various fields, including the military one.

Premyak also recalled the statement of State Duma speaker Ivan Rybkin who said during his visit to India that it was necessary to promote a closer cooperation of "the three world powers of the continent", i.e. Russia, China and India.

Premyak was more reserved while speaking about prospects of cooperation with the European Union and NATO. He recalled the EU readiness to buy Russian satellite information for scientific and ecological purposes and said Russia would thus help Europeans save huge finances for the construction of a similar system in the Mediterranean region. Russia, according to him, will be thus able to preserve its scientific potential, as well as thousands of jobs.

As far as NATO is concerned, cooperation with the bloc will help Russia get acquainted with the advance experience of planning and holding military operations, according to Premyak.

Duma Chairman on Yeltsin's Health, Current Issues

LD1411213894

[FBIS Editorial Report] Moscow Russian Television Network in Russian at 1900 GMT on 14 November carries the "Moment of Truth" program featuring State Duma Chairman Ivan Rybkin, who is seen in a sitting room, opposite interviewer Andrey Karaulov. Karaulov asks the first few questions using a mask in the form of a caricature of Yeltsin. An on-screen caption identifies the time and place of the interview as Serebryanyy Bor, 13 November.

Rybkin defends himself against charges of treachery with regard to his communist past and his role in the October coup, when he remained inside the Russian White House until the last moment. Asked about whether the fact that he and Yeltsin were on opposite sides during the coup have complicated relations between them, Rybkin replies that all people in power are complicated.

Karaulov asks what Rybkin felt when Yeltsin failed to leave his airplane in Dublin. Rybkin says that he should have left the plane; the bodyguards should not have the power to prevent people from speaking to the president.

Karaulov brought up Yeltsin's behavior during his recent visit to Germany, where he conducted an orchestra playing the song "Kalinka." Rybkin replies only that he saw what happened, but was impressed by other events during the visit.

Karaulov says there have been calls for medical reports on Yeltsin's health—particularly with regard to alcoholism. Would the Duma set up a commission to look into this? Rybkin spoke of a recent meeting that he and his deputies had with Yeltsin. Yeltsin had such a strong handshake that no one had any doubts about his good health.

Rybkin speaks in justification of parliamentary spending on facilities for deputies and the construction of new official buildings.

Karaulov asks about Gerashchenko's resignation from the Central Bank, which he claims that Rybkin brought about, and whether it was really worth having him dismissed since he continues to run the bank from his current post as consultant to the Central Bank. Rybkin says that it is quite natural for the former boss to at first offer advice, and then gradually move into the background. He does not wish to get into an argument now, but in his view Gerashchenko was simply given too much freedom.

Karaulov says that someone is probably backing Zhirinovskiy—who does Rybkin think it is? Rybkin replies that he does not want to engage in guesswork. When asked about his feelings for Zhirinovskiy and whether he thinks he is mad, Rybkin says he does not think he should become president of Russia.

Karaulov asks about Mavrodi's election: Why did Rybkin not ban pyramid schemes like the one that Mavrodi ran? Rybkin enumerates measures taken so far to prevent such schemes being set up in the future.

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On the subject of the murder of MOSKOVSKIY KOMSOMOLETS journalist Dmitriy Kholodov, Rybkin says he believes they are close to finding the culprit, but does not know now who it was. Both journalists and parliamentarians alike are not in safe professions. Asked if he is afraid of being killed, Rybkin says he has seen so much over recent years that very little frightens him now.

Karaulov says that it was good that Solzhenitsyn addressed the Duma—could Russia's intellectuals now address parliament on a regular basis—say, every Monday? Rybkin says it would be a good idea because there are a lot of people who have something to say.

Duma Committee To Examine Confidence in Grachev

LD1411151694 Moscow Russian Television Network in Russian 1300 GMT 14 Nov 94

[From the "Vesti" newscast]

[FBIS Translated Text] The State Duma's Defense Committee intends to examine the issue of confidence in Defense Minister Pavel Grachev on Thursday. Sergey Yushenkov, the committee's chairman, stated this in an interview for INTERFAX.

The defense minister is expected to give a report at the Duma on Friday.

State Duma Factions Seek Yerin's Resignation

LD1411173894 Moscow INTERFAX in English 1647 GMT 14 Nov 94

[FBIS Transcribed Text] The parliamentary factions of the Communist Party of Russia and the Agrarian Party, the initiators of the State Duma's consideration of urgent measures to tackle crime and ensure people's safety on November 16, intend to raise the resignation by Interior Minister Viktor Yerin "in the most determined fashion."

This statement was made by one of the Agrarians' leaders, Nikolay Kharitonov, in an interview with Interfax Monday. He recalled of the fact that the State Duma had denied confidence to Yerin after deputy Andrey Aizderdzis was murdered, but the president did not sacrifice his "associate."

At the same time, Kharitonov categorically rejected speculations that the opposition was "trying to square accounts" with Yerin for the September-October 1993 events. In his opinion, considering urgent measures to tackle crime "was not directly linked with the recent murder of another deputy, Valentin Martemyanov."

Experts of the State Duma security committee say about 500,000 people are annually killed in 10 to 12 million crimes in Russia.

The State Duma will try to look into the reasons for the increase in the crime rate, including in the law-enforcement bodies, on November 16.

Little Support Forecast for Duma Election Bill

LD1411205894 Moscow INTERFAX in English 1937 GMT 14 Nov 94

[FBIS Transcribed Text] The President-submitted State Duma Election Bill will hardly be supported by two thirds of the Russian lower house, member of the Legislation and Judicial Reform Committee member Oleg Mironov, Communist, believes. He does not think that the parliamentary groups would agree to cutting the share of parties and political movements. Under the bill, 300 deputies would be elected in constituencies and 150 on party tickets, whereas every other member of the present Duma was elected on a party ticket.

Mironov told the committee Monday [14 November] that the present Duma had been elected in compliance with the rules set by a presidential decree. He asked Aleksandr Ivanchenko, deputy chairman of the Central Election Committee who had submitted the bill, what was the reason for changing the rules. Ivanchenko did not reply but called for hearing the regions and party groups and for calm in tackling the issue.

Because the presidential bill was opposed by a draft election code worded by the Yavlinskiy group, a working group was set up to consider the two options and submit their conclusions to the next meeting of the committee in a week's time.

Draft Law on Nuclear Waste Referred Back Again

MM1411125394 Moscow ROSSIYSKAYA GAZETA in Russian 12 Nov 94 p 2

[Report by Irina Nevinnaya under the "State Duma" rubric: "Nuclear Law"]

[FBIS Translated Text] Yesterday the State Duma discussed the draft Law "On State Policy in the Sphere of Handling Radioactive Waste."

The adoption of such a law is long overdue. Suffice it to say that a similar law was passed in the United States in 1982. As far as Russia is concerned, while our legislators have been exhibiting no haste, the representatives of the nuclear industry—both the military bloc and "civilian" power generation—have stockpiled around 3 billion curies of radioactive waste in the country. And 600 million curies of the most dangerous, highly active waste is stored above ground in special storage containers, while another 120 million curies of waste has been dumped into Siberia's woebegone Karachay Lake.

The quantity of waste is growing; moreover, the process has not hitherto been regulated on a federal level but has been placed within the competence of departments.

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The proposed draft law allows the burial of radioactive waste only in solid form (liquid waste is to be converted into a solid state) in special storage facilities. Highly active waste must also be converted into a solid, explosion- and fire-resistant, virtually insoluble form and then be sealed [zakapsulirovanyy] and buried in deep geological formations which it is estimated will enjoy many hundreds of years of stability.

The draft unambiguously consigns questions relating to the import and export of radioactive waste and spent fuel to the jurisdiction of federal legislative organs, thereby preventing the possibility of departmental high-handedness. Moreover, all radioactive waste, one article of the future law declares, is federal property, and a federal organ independent of the Ministry of Atomic Energy will be responsible for its reprocessing and burial.

The most pointed discussion during the preparation of the draft flared up over the question of reprocessing spent nuclear fuel, including fuel that enters our country from abroad. The most radical opponents, particularly the representatives of the "Greens," propose the imposition of a complete ban on such reprocessing. The drafters consider a complete ban to be inadvisable and moreover impracticable.

Nevertheless, it proved impossible to persuade the majority of deputies of the merits of the latest draft. As a result, the draft law was again returned for further work to be done on it.

Federation Council on North's Environmental Problems

LD1411162194 Moscow INTERFAX in English 1423 GMT 14 Nov 94

[FBIS Transcribed Text] Russia's Federation Council held parliamentary hearings on Monday to discuss urgent environmental problems faced by the country's northern territories. Organized by the Committee for the North and its Ethnic Minorities, the debates involved deputies from the Federation Council and the State Duma, and the representatives of various departments, such as the Navy.

The persistent fall in the average life expectancy in Russia's northern areas is a consequence of industrial pollution and particularly nuclear tests, speakers pointed out. The Arctic Basin is contaminated not only by Russian facilities, but also by British and French producers, whose waste is brought to Russia's northern seas by the Gulf Stream, speakers said.

In the past few decades life expectancy in the Yamalo-Nenets Autonomous District decreased by 16 years (from 61 to 45), said the Deputy Minister of Environmental Protection and Natural Resources Aleksey Poryadin.

According to him, the nuclear test site on the Novaya Zemlya Islands in the Arctic Ocean, where 132 nuclear explosions have been carried out, gives rise to particular concern. Deer breeders and fishermen are exposed to Caesium-137 radiation, whose level in Russia's Far North is 100-1,000 times higher than in other parts of the country. The high death rate registered locally is due largely to lung and intestine cancer.

The Soviet Union and Russia have buried in the Kara and Barents seas liquid radioactive waste whose aggregate activity amounts to 20,600 curies and solid waste whose aggregate activity makes up 2.3 million curies, Poryadin said. In Russia's Far East these indexes make up 12,300 curies and 6,200 curies respectively, he noted.

According to Poryadin, last year budgetary allocations for environmental protection and rational use of raw materials resources in the Arctic region and in Russia's North exceeded 350 million rubles. This year more than 800 million rubles were allocated for these needs, but by November 1 the Finance Ministry granted only about 40 percent of the annual amount.

Participants in the hearings issued recommendations for working out a special program to ensure environmental protection in Russia's North, and for allocating funds designed to utilize the written-off nuclear-powered ships.

Press Committee Head Comments on Draft Media Law

LD1411141194 Moscow ITAR-TASS in English 1406 GMT 14 Nov 94

[FBIS Transcribed Text] Moscow November 14 ITAR-TASS—The draft law on the state support for the mass media and book printing that had its second reading in the State Duma last week has an openly political nature, leaders of the Russian Committee for the Press believe.

Commenting on the draft law in an interview with ITAR-TASS on Monday, Chairman of the Russian Committee for the Press Sergey Gryzunov said that two fundamental sections of the draft law "can bring to nought all the freedoms the press enjoys at present". These sections deal with privatisation of the infrastructure of the mass media and setting up a national foundation of support for the press.

Gryzunov believes the draft law is particularly attractive to the parliamentary opposition due to the fact that the national foundation will be formed by the State Duma. The opposition can thus receive on a legal basis the right to decision-making on the management and the control of the infrastructure of the press—publishing houses, printing complexes, television retransmitting stations, and the right to buy them out.

The chairman of the Russian Committee for the Press believes the adoption of the draft law would mean "a serious defeat for the democratic forces and for the reform conducted by the Russian president and Government".

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Regional Affairs

Japanese Prefecture To Invest in International Trade Zone

OW1511111894 Vladivostok Radiostantsiya Tikhiy Okean Maritime Network in Russian 0815 GMT 27 Oct 94

[From the "Pacific Ocean" program]

[FBIS Translated Text] Japan's Toyama Prefecture, which is the sister region of the Maritime Kray, plans to take an active part in creating an international trade and economic cooperation zone at the point where the borders of Russia, China, and North Korea meet. An ITAR-TASS correspondent was told this by (Masakatsu Okamoto), head of Toyama Prefecture's administration, who is leading a large group of financial and capital construction experts which arrived today in the Far East.

Meanwhile, some stages of the Tumen river project are being implemented. For example, authorities in Mudanjiang city are building a highway at double speed. Upon completion, the new road will connect many regions of China with Vladivostok. At the same time, Russia, Japan and the PRC have begun work on expanding and reconstructing Zarubino port. A railway line connecting the port to the Chinese province of Jilin is currently under construction. Also, Toyama Prefecture has previously expressed its interest in developing Maritime Kray communications and ports. Tomorrow the delegation will visit Tumen river delta and the construction sites to determine the most promising directions for investment in the project. Russian and Japanese experts will meet the same day to discuss prospects and forms of cooperation in 1995 between Maritime Kray and Toyama Prefecture.

Yeltsin, Stepashin, Grachev Comments in Izhevsk Cited

MM1411150194 Moscow ROSSIYSKAYA GAZETA in Russian 12 Nov 94 pp 1, 3

[Report by Aleksandr Batygin: "Trigger Happy in Izhevsk—But Nothing Clouded the Anniversary of the Famous Gunsmith"]

[FBIS Translated Text] Izhevsk-Moscow—B. Yeltsin's trip to Udmurtia's capital was compressed into one long working day. The day saw the coincidence of, on the one hand, a joyous event—birthday celebrations and the presentation to famous gunsmith Mikhail Timofeyevich Kalashnikov of the orderr "For Services to the Fatherland"—and, on the other, a meeting between the Russian Federation president and leaders of the republic law enforcement bodies, which threw up many sensitive questions.

It is not my intention to recap on something seen by millions of television viewers, and as such I will say a few words about things which were not caught on camera.

Udmurtia is a special region, as history ordained that here, in the Ural Region, the production of defense materials, including the best assault rifles in the world created by genius designer Kalashnikov, should always come first. But the pride of the Izhevsk gunsmiths also generated problems—illegal business deals, weapons production in underground workshops, trade in these weapons reaping billions in profit, and crimes generated at the price of bloodshed. Izhevsk's "Izhmash" plant (where Kalashnikov Improved Assault Rifles [AKM] are produced) and the mechanical plant (where rifles and pistols are assembled) enjoy the special attention of "tough" criminal gangs, and they are a constant source of headaches for local investigators, and not only them. In recent times alone, eight underground workshops assembling Kalashnikovs were exposed.

(Incidentally, a report from the unique armaments museum located at the "Izhmash" Plant on the last page of today's issue of the newspaper will doubtless be of interest to readers.)

After the law enforcement conference, Viktor Ilyushin, senior aide to the Russian president, met with journalists.

"Local leaders made interesting proposals during the meeting with Boris Nikolayevich," he said. "Here in Izhevsk, more rigorous conditions out to be established with regard to those who may strive to acquire weaponry and use it for criminal purposes."

Talk at the meeting also centered on how to stem the large inflow of people to Izhevsk. V. Ilyushin stressed: "We have done a great deal to resolve the issue of closed cities. Nevertheless, it would be wise to introduce certain restrictions on entry to such distinct cities as the capital of Udmurtia, especially for citizens from other states."

Mention was also made at the conference of the need to tighten security at local state enterprises occupied first and foremost with weapons production. This theme was taken up at the press conference by Federal Counterintelligence Service [FCS] Director S. Stepashin, Acting General Prosecutor A. Ilyushenko, and Russia's First Deputy Internal Affairs Minister Ye. Abramov.

"Today, we must change tactics in the fight against crime," Sergey Stepashin noted. "In extreme conditions, harsh measures have to be applied."

What else about the trip sticks in the mind? The following question was put to B. Yeltsin: Will the Russian Government become more effective as a result of the new appointments?

"I myself had a hand in selecting the personnel," the president stressed, "and I know the new line-up very well. Like any organism, the Cabinet of Ministers needs an injection of fresh blood. And so it is that I am injecting a little new blood into the government."

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In a detailed conversation with Pavel Grachev, we did not ignore the critical barb aimed by MOSKOVSKIY KOMSOMOLETS at the defense minister and his deputy, Matvey Burlakov.

Grachev said: "I had forgotten that such a newspaper still exists: The charges of corruption are exaggerated. It is simply that somebody noticed that an eminent figure—Burlakov—is coming to the aid of his minister. Together, we could do a lot."

Incidentally, Aleksey Ilyushenko, whom I approached here in Izhevsk with this question, stressed: There are no cases of corruption in the Western Group of Forces.

Certain observations resulting from the trip to Udmurtia ought not to be skimmed over. The proposal voiced at the birthday celebrations in honor of Mikhail Timofeyevich Kalashnikov to patent his assault rifle appeared somewhat unrealistic not only to me, and not only to journalists. There are many countries on this planet which have started up series production of the awesome and trusty weapon. Above all, the matter concerns our former allies from the socialist camp. Today, 55 states are familiar with the AKM and its modifications, and its "circulation" has hit 70 million.

A veritable sensation was produced by the words of the very same Grachev, having warmly congratulated Kalashnikov. Pavel Sergeyevich informed people with a smile that his ministry, one of the main clients of the Izhevsk gunsmiths, had settled accounts with Udmurtia's military-industrial complex in full.

...Izhevsk, it appears, is trigger happy. In 1993, 299 murders were committed in Udmurtia, and in the space of 10 months this year this depressing indicator rose to 349 deaths. Luckily, the birthday of the great gunsmith passed off without incident. From early morning, young militiamen stood guard at intervals of 30 paces in the city center.

Yeltsin Visit to Izhevsk Reviewed

MM1411150394 Moscow KOMSOMOLSKAYA PRAVDA in Russian 12 Nov 94 p 2

[Report by Olga Gerasimenko and Galina Sapozhnikova: "Kalashnikov as Always Worked Impeccably. Tens of Billions of Rubles from State Purse Promised to Udmurtia on Anniversary of Well-Known Gunsmith"]

[FBIS Translated Excerpts] The city of Izhevsk is not hot on spectacle. Throughout the history of the Udmurt Republic it has only been visited by Leonid Brezhnev, and before he became general secretary moreover, and Politburo member Dmitriy Ustinov, whose mother-in-law is rumored to have lived 60 km from Izhevsk in the city of Votkinsk. Old people still remember how feverishly borders were decorated before the lofty visitors arrived. [passage omitted]

A day before the president's arrival the residents of Izhevsk watched curiously as curtains were earnestly changed at the windows and new sofas were carried into the republic Supreme Soviet building. The ceremony [birthday presentation to gun designer Kalashnikov] itself took place in the local music theater. Everyone gave the birthday man gifts: Boris Nikolayevich Yeltsin gave him a major general's shoulder boards and two juicy presidential kisses, while Udmurt Supreme Soviet Chairman Tubylov gave him an audio and video player and an apartment in the center of town, and Defense Minister Pavel Grachev gave him (on behalf of the army) a civilian model of the UAZ military automobile, an engraved pistol, and a portrait of himself (with a medal).

The president wanted to see the birthday man wearing his new general's uniform and the local authorities were briefed in advance on this. However, the saga of the uniform's production was almost like a thriller: Izhevsk tailors worked for three days and had difficulty hunting out the only gold thread in the city for the general's shoulder boards. However, when the order was ready it turned out that there was no one to pay for it (around 2 million rubles). The upshot being that the uniform was sponsored out of the military budget....

Pavel Sergeyevich Grachev did not restrain himself and told the gathering that the "Defense Ministry has today paid its debts to your republic's military complex in full." He then turned to the new major general and added: "You must live a long time so that the republic always has a sponsor." Incidentally, it is not uncommon in Izhevsk for residents to buy milk and bread from state stores on tick—because of months-long nonpayment of wages.

The increase in crime in the republic is equally a problem. During the president's meeting with law-enforcement organs it was decided to introduce certain restrictions on entry into the city, particularly for citizens of other states (an idea that came from the local authorities).

Later counterintelligence chief Sergey Stepashin stressed that it is not a question of giving the city closed-city status, as was the case during the times of the USSR, but merely of regulating entry to Izhevsk. Sergey Stepashin told us that these problems will be resolved with regard to certain cities in Arkhangelsk Oblast and Maritime Kray. Journalists were also interested in more details about the case of Nikolay Perevoshchikov, the republic's deputy internal affairs minister, shot a month ago in Izhevsk. At a press conference before his departure Russian Acting General Prosecutor A. Ilyushenko said that the murder has been practically cleared up today: "But this killing brought with it a sequence of other interconnected cases—at least three contract killings committed on Russian territory." Today the Perevoshchikov case looks like this: Two of the six criminals are still at liberty. Federal Counterintelligence Service Chief S. Stepashin also pointed out that Izhevsk is today the

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center for illegal arms sales and the Perevoshchikov case is directly linked to smuggling: "In a city that produces a vast quantity of weapons, which are stored and unclaimed, the procedures for guarding particularly important state installations like plants manufacturing state-of-the-art firearms should be tightened up."

Results of 'Russia's Choice' Forum Viewed

WS1511090994 Kaliningrad KALININGRADSKAYA PRAVDA in Russian 27 Oct 94 p 2

[Interview with Kaliningrad Oblast Duma Deputy Nikolay Tulayev by N. Borovskaya; place and date not given: "Gaydar's 'Children' Remain Faithful to Their 'Father's' Behests"]

[FBIS Translated Text] At the beginning of October, the "Russia's Choice" movement held its second congress (after the constitutive one) in provincial Suzdal. Some 200 delegates from 59 regions of Russia took part in it. Kaliningrad Oblast was represented by Oblast Duma Deputy Nikolay Tulayev, member of the movement's political council and Vladimir Nuzhdinov, chairman of the Peasant Party regional organization.

[Borovskaya] What prompted the second congress a year after the movement was instituted?

[Tulayev] First, we wanted to assess the election results and the new political situation, and discuss our tactics in light of the new circumstances.

Second, we had to regulate certain problems of an organizational nature. As we know, the Democratic Choice of Russia party was established due to our movement. The question then emerged: What to do with the movement? Does it have a future?

The congress has demonstrated that Russia's Choice continues to function in 70 regions of Russia and comprises a broad spectrum of movements and parties. In our oblast, for instance, the movement has under its auspices seven parties and organizations.

We also had to separate the functions and methods of activity of the party and the movement, both of which bear identical names. Those issues were discussed at the congress, at which, by the way, the movement's regulations were significantly remodeled.

[Borovskaya] However, mass media, in particular KOMSOMOLSKAYA PRAVDA, depicted the situation differently. There have been reports about a "divorce" between the party and the movement. The latter has allegedly lost its significance and abandoned Yegor Gaydar.

[Tulayev] Every reporter has the right to interpret events to their own discretion. Incidentally, there were no KOMSOMOLSKAYA PRAVDA reporters at the congress or the post-congress news conference. They probably received information from some "third party."

However, objective data and unbiased suggestions give the idea about the actual state of things. Given that two out of five cochairmen of the movement elected at the congress are at the same time members of Gaydar's party council, and all five are party members, one should rather speak about a proximity of positions rather than antagonism. The resolution passed at the congress stresses that the movement is going to assist the development of Gaydar's party, as well as other democratic, reform-oriented organizations.

Yes, there are forces which would like to make a split and there have been backstage speculations about those intentions. The same people suggested that at the upcoming elections, the movement has a separate list of candidates. However, those attempts failed, for the congress did not support that position. The movement remains a broader force than the Democratic Choice of Russia, but will act in coordination with it. The movement will be a link between Gaydar's party and other members of the electoral coalition. Other suggestions—to disband the movement or make it independent of the party—were rejected by the congress.

[Borovskaya] Thus, the congress discussed the upcoming elections and your strategy?

[Tulayev] We unanimously advocated the observance of constitutional norms with regard to the dates of presidential and legislative elections. The congress confirmed again the movement's course toward continuing reform and democratic transformations, and stressed the urgent need to consolidate all the sound forces in society to resolve the primary issue—that of winning the elections. We passed an appeal to all of Russia's democratic organizations.

[Borovskaya] Why was Suzdal, of all places, chosen as the site for the congress?

[Tulayev] This was done to emphasize that regional organizations constitute the movement's groundwork. The election of five cochairman instead of one chairman is also in line with that postulate. All five represent different regions—Kemerovo, Omsk, Saratov, Voronezh, and Moscow.

[Borovskaya] What was the most memorable moment of the congress?

[Tulayev] Yegor Gaydar's speech was undoubtedly the most impressive event. Gaydar provided a detailed analysis of the economic and political situation. In particular, he predicted the collapse of the ruble on the very eve of "black Tuesday."

For me and Vladimir Nuzhdinov those days were filled with intense work on presenting our regional problems to the Duma deputies. It should be pointed out that "Russia's Choice" is the sole faction which is seriously pursuing the goal of passing a law on Kaliningrad's status in the Russian legislature. The political council of the

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Democratic Choice of Russia has offered assistance in "squeezing" out funds owed to Kaliningrad Oblast from the federal budget.

Moscow Industrial Production Falls 30 Percent

LD1411214794 Moscow Radio Rossii Network in Russian 2000 GMT 14 Nov 94

[FBIS Translated Text] According to Mosgorstat [Moscow city statistics bureau], industrial production in Moscow has fallen during the last 10 months by 30 percent as compared to the same period in 1993. In particular, the output of cars, refrigerators, washing machines, vacuum cleaners, magnitophones, and color television sets has dropped. At the same time, RIA was informed at Mosgorstat that the production of foodstuffs had grown on the whole by 15.4 percent.

Moscow Banking System Said Financially 'Stable'

LD1411143194 Moscow ITAR-TASS in English 1252 GMT 14 Nov 94

[FBIS Transcribed Text] Moscow November 14 TASS - BUSINESS-TASS—"The banking system of the Russian capital is financially stable and has enough reserves to be safe," specialists from the chief directorate of the Central Bank of Russia (CDCBR) for Moscow, reached this conclusion after analyzing balance sheets of Moscow's commercial banks for the past nine months of 1994.

Notwithstanding serious difficulties experienced by a group of the capital's banks, the balance sheet of the Moscow Bank Association is, on the whole, liquid (correlation between capital of a "medium" bank and agrregate volume of its assets, weighed, taking into consideration the risk factor and other basic parameters corresponding to norms established by the Central Bank of Russia for commercial banks of Russia).

The press service of the CDCBR Moscow told ITAR-TASS today that over 800 commercial banks, whose activities are monitored by the Moscow management of the Central Bank, have at their disposal over 5 trillion roubles of their own. Banks' borrowed finances amount to 41.5 trillion roubles, payment of credits and payment transactions 34.2 trillion roubles and deposits of natural and juridical persons 2.2 trillion roubles (excluding the saving bank). The current authorized capital of a "medium" commercial bank of the region is 2.2 trillion roubles.

Thus, according to specialists from the CDCBR Moscow, the capital's banks have sufficient funds at their disposal to cover their all commitments to depositors. Hence a lately uncovered relatively small group of banks, which was facing serious financial difficulties, can fully become sound with the help of stably working banks that comprise the Moscow Bank Association. Depositors should only more attentively familarize themselves with the balance sheet of a credit establishment in which they want to invest their money or with it's auditor's report on its financial condition.

North Ossetian President Says Situation Stable

LD1411173294 Moscow ITAR-TASS in English 1646 GMT 14 Nov 94

[By ITAR-TASS correspondent Valeriy Shanayev]

[FBIS Transcribed Text] Vladikavkaz November 14 TASS—"The situation in the part of North Ossetia under the state of emergency is stable", President Akhsarbek Galazov of North Ossetia told ITAR-TASS on Monday [14 November]. Galazov flew to Moscow to take part in a plenary session of the Russian parliament's upper chamber. The upper house of the parliament will discuss some issues of the federal laws adopted by the State Duma, the appointement of judges of the Russian Constitutional Court.

According to Galazov, a tendency towards stabilisation can be seen in the conflict zone. Refugees and displaced persons are returning into the area, and houses and facilities are being restored in the republic's Prigorod District, he said.

Of course, certain forces aim to destabilise the situation in the region, but confrontation means deadlock, in Galazov's opinion. One should sit down to the peace table to negotiate all disputable questions.

The North Ossetian president said once again that the "emergency rule has outlived itself, it has begun playing a negative role". It is state bodies of Northern Ossetia and Ingushetia that should solve all ethnic and territorial problems, he said.

Gas Pipeline Blowout in Remote Area of Urals

MM1411144394 Moscow IZVESTIYA in Russian 12 Nov 94 p 1

[ITAR-TASS report: "Accident on Urengoy-Petrovsk Gas Pipeline"]

[FBIS Translated Text] Repair work began Friday [11 November] to the "Tyumentransgaz" administration's Urengoy-Petrovsk main gas pipeline near the city of Krasnoturinsk (Sverdlovsk Oblast). As ITAR-TASS reported, there was an explosion and a fire on Thursday in section four of this pipeline in an unpopulated area a long way from the main transport routes.

Aircraft Carriers Stripped Prior to Sale

OW1511003894 Khabarovsk Radio Khabarovsk Network in Russian 0940 GMT 11 Nov 94

[From the "Kray News"]

[FBIS Translated Text] Conversion work began today on the aircraft carrier Minsk. A special brigade of shipwrights began removing equipment. After the equipment has been removed the former flagship of the Pacific Fleet, like its sister ship Novorossiysk, will be sold abroad for scrap metal. The Russian treasury will receive several million dollars for the ships.

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Kabardino-Balkaria Opposes Aircraft Test Site

LD1411174694 Moscow INTERFAX in English 1610 GMT 14 Nov 94

[FBIS Transcribed Text] National movements, public organizations and political parties of Kabardino-Balkaria have been protesting the establishment of a testing site for aircraft under the Russian Defense Ministry in the region of the Elbrus Mountain.

They said in their joint appeal that the decision on opening the testing site had been made without consulting the Russian Ministry for Emergencies, the Environmental Ministry, the Health Care Ministry and other appropriate departments. The appeal was addressed to Chairman of the Russian State Duma Defense Committee Sergey Yushenkov.

The appeal said that the testing site would be established in the republic with a very high density of the population. The appeal also said that the region of the Elbrus Mountain was very well known as a tourist, alpinist and mountain-skiing center.

Kabardino-Balkarian public organizations proposed that the State Duma Defense Committee consider the possibility for deploying the training site somewhere else in the North Caucasus.

Deputy Chairman of the Congress of Kabardinian People Zhantemir Gubachikov told Interfax that if parliamentarians ignored the demands put forward by the people a public committee and then a mass movement could be created for closing the testing site.

Kray Helps Far East Military District Buy Equipment

OW1511003994 Khabarovsk Radio Khabarovsk Network in Russian 0940 GMT 11 Nov 94

[From the "Kray News"]

[FBIS Translated Text] Good contacts and mutual assistance exist between the Far East Military District command and the Khabarovsk Kray Administration. The military have repeatedly come to the help of their countrymen. On this occasion the civilians have decided to help the military. According to Viktor Ishayev, head of the Khabarovsk Kray Administration, $100,000 has been earmarked for the purchase of electronic equipment for the district's command post.

Local Officials Attend Test Missile Launches

MM1511095794 Moscow ROSSIYSKAYA GAZETA in Russian 15 Nov 94 First Edition p 3

[Report by Vitaliy Cherkasov: "Launches at Kapustin Yar"]

[FBIS Translated Text] Astrakhan Oblast—The "Kapustin Yar" Missile Test Range bursts into terrible life in the fall. Practice launches were completed here the other day. Representatives of the public from Astrakhan and Volgograd Oblasts were invited to the range for the first time. Pavel Lazarev, chief of the Volgograd Oblast Administration Department for Work With Military Units, shared his impressions:

"It was as if the sky had fallen to earth, our eyes darkened from the unbearably bright light...."

At the "Kapustin Yar" range there were planned launches of the "Tochka-U" tactical missile system—the brainchild of Volgograd's "Titan" Central Design Bureau—the "Smerch" multiple-launch rocket system, and the "Scud" operational and tactical system. There were three launches in total; all landed on target 30-40 km away.

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International Afairs

Ceremony Opens ICBM Neutralization Site Construction

LD1411200794 Kiev UNIAN in Ukrainian 1430 GMT 14 Nov 94

[FBIS Translated Text] Dnepropetrovsk [No dateline as received]—An official ceremony of laying the first stone at the construction site of the premises for neutralizing intercontinental ballistic missiles took place today. The ceremony was attended by William Miller, U.S. ambassador to Ukraine; Stanislav Konyukhov, chief designer of the "Pivdenne" design bureau; Petro Alekseyev, director general of the Southern Machine-Building Plant; and representatives from the U.S. and Ukrainian Foreign Ministries and the Ukrainian Ministry of Machine-Building, Military-Industrial Complex, and Conversion.

As has already been reported, the U.S. Defense Department officially reported on the construction of neutralization premises in Dnepropetrovsk for the liquidation of SS-19 missiles. In compliance with START-I, the "Pivdenne" design bureau designed the premises, where the liquidation of rocket engines and fuel tanks will get under way. This project is financed within the framework of the Nunn-Lugar program and in compliance with the agreement reached between the U.S. Defense Department and Ukraine's Defense Ministry on rendering assistance in liquidating strategic nuclear armaments. The assistance will include, apart from building neutralization premises, the construction of incinerators, installation of heavy equipment, and supply of diesel fuel and gas. The Ukrainian side is obliged, in particular, to design the above premises.

UNIAN has learned that the U.S. Nuclear Security Agency [as received] approved a contract worth $2.5 million with the "Morrison-Knudsen" corporation for rendering assistance in designing such premises. Also, the U.S. Defense Department ordered equipment worth more than $63 million. The assistance also extends to the deactivation of warheads and the shipment of SS-24 and SS-19 missiles to Russia.

Official on Disarmament Plan

LD1411202994 Kiev UNIAN in Ukrainian 1900 GMT 14 Nov 94

[FBIS Translated Text] Dnepropetrovsk [No dateline as received]—As UNIAN has already reported, an official ceremony of launching the construction of the premises for neutralizing SS-19 intercontinental ballistic missiles in compliance with the Strategic Arms Reduction Treaty took place at the Pivdennyy machine-building plant. According to the Nunn-Lugar program, the U.S. side allocated $185 million to implement the treaty, of which 27 million are earmarked for the neutralization premises project.

Stanislav Konyukhov, director general of the "Pivdenne" design bureau said at a news conference on this occasion that at present 130 SS-19 missiles are in a state of combat readiness. According to him, it is planned that four SS-19 missiles will be liquidated monthly with the commissioning of neutralization premises.

Kostyantyn Hryshchenko, chief of the directorate for issues of armaments control and disarmament at Ukraine's Foreign Ministry stressed that rendering assistance to Ukraine's disarmament is a matter of concern not only for the United States but also other countries as well. "We pin our hopes on Britain's assistance as well, at least at the level provided by Japan and Canada," he pointed out.

Horbulin Assesses Trilateral Agreement

LD1411193694 Kiev UNIAN in Ukrainian 1430 GMT 14 Nov 94

[FBIS Translated Text] Kiev [No dateline as received]—Volodymyr Horbulin, the Ukrainian president's national security adviser and secretary of the National Security Council under the president of Ukraine, in an interview with UNIAN assessed the implementation of the trilateral agreement signed in Moscow by its member-states and "gave" an excellent mark to Ukraine, a good mark to Russia, and a fair mark to the United States. Explaining his point of view, Horbulin said Russia is delivering fuel elements to keep Ukraine's nuclear power stations operational. As far as the United States is concerned, it "is making deliveries, but their volume fails to meet Ukraine's requirements." The nuclear disarmament issue in Ukraine, Horbulin believes, is extremely complicated and "as a rule, those who do not understand what nuclear disarmament in Ukraine are taking part in stirring up passions around it."

The president's adviser emphasized that Ukraine probably made a hasty move by announcing its non-nuclear and non-aligned status. "Among members of the government, I was, perhaps, the only one who was writing reports to Leonid Kravchuk pointing out that it would be technically impossible to become a non-nuclear state before 1 January 1995," Volodymyr Horbulin said. He expressed conviction that having announced its non-nuclear status, Ukraine must fulfill all its obligations, "but there should be a very well-balanced stand" and availability of political guarantees of security. Horbulin pointed to the absence of a precise mechanism of receiving the Nunn-Lugar aid and said the schedule of rendering this aid is being currently worked out.

Dwelling, at the request of UNIAN, on the signing of a treaty on space cooperation during President Kuchma's visit to the United States, Horbulin gave assurances that virtually all of its provisions had been coordinated. The treaty provides for cooperation in the field of space communication and space geology, as well as for projects for probing the Earth and studying the Chernobyl zone. According to the president's adviser, "the use of a unique

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hand-held tool, designed at the Paton institute of electric welding in Kiev, in outer space will most likely be discussed."

Volodymyr Horbulin believes Ukraine will not be vested with the right to launch satellites on a commercial basis so far, since the National Space Agency of Ukraine has no relevant powers to that effect. This right has already been vested in Russia. "However, the agreement on space cooperation will be the first step into the future, as it will open broad horizons for Ukraine's participation in international projects, in particular, in the 'Alpha' project [setting up of space stations]."

Shmarov, Perry Discuss Space Cooperation

LD1411211194 Kiev UNIAN in Ukrainian 1900 GMT 14 Nov 94

[FBIS Translated Text] Dnepropetrovsk, [no date as received]—On 14 November Ukrainian Defense Minister Valeriy Shmarov, who is in the United States to prepare for the Ukrainian president's state visit to the United States, met U.S. Secretary of Defense William Perry. William Miller, U.S. ambassador extraordinary and plenipotentiary to Ukraine, revealed this at a news conference held at the Dnepropetrovsk "Pivdenmash" [southern machine-building plant] during the official ceremony for the construction of premises for neutralizing SS-19 ballistic missiles. William Perry said that during the meeting between the heads of military departments, the planned signing of an agreement on cooperation in the aerospace field was discussed.

Yuriy Alekseyev, director general of "Pivdenmash," told a UNIAN correspondent that talks between American companies and the directors of the plant in the context of future cooperation were coming to an end. Yuriy Alekseyev noted that the American side was interested in Dnepropetrovsk's "Zenith" space launch vehicles which America planned to use in launching its satellites.

Officials Speak On International Project

LD1511115694 Kiev UNIAN in Ukrainian 1045 GMT 15 Nov 94

[FBIS Translated Text] Dnepropetrovsk—Zenit carrier rockets made by the Pivdennyy machine-building plant Pivdenmash will be used in the delivery of separate modules during the assembly of the Alpha international space station, Pivdenmash director general Yuriy Alekseyev told UNIAN on 15 November.

The construction of the Alpha station, to begin in November 1997, is expected to take five years. During that time it is planned to conduct 80 space launches into orbit using Ukrainian Zenit and Russian Proton and Soyuz launch vehicles. The project implementation involves the United States, Canada, Japan, and the Russian Federation.

According to Yuriy Alekseyev, Dnepropetrovsk launch vehicles which conform to environmental standards and do not cause pollution could become the key link in the servicing of the space station. A formal agreement is to be signed with Russia next year, the Pivdenmash director general said.

Andriy Zhalko-Tytarenko, acting director of Ukraine's National Space Agency, told UNIAN, however, that Moscow is expected to inform Kiev before the end of the year as to the involvement of Ukrainian enterprises in the construction of the Alpha station. "Otherwise, the Ukrainian side which is indirectly funding the Russian program will channel its funds into other projects," Zhalko-Tytarenko said.

National Affairs

Kuchma 'Regrets' Suspension of Privatization

LD1411233094 Kiev Radio Ukraine World Service in Ukrainian 1900 GMT 14 Nov 94

[FBIS Translated Text] The NOVYNY Television and radio agency has reported that issues of privatization in Ukraine were considered today at a conference held by President Leonid Kuchma and attended by leaders of ministries and departments, bankers, and scientists. Leonid Kuchma opened the conference by expressing regret in connection with the fact that the privatization process had of late been suspended, including small-scale privatization. At the same time, the head of state emphasized that today there exists a unanimity of opinion concerning the necessity to move forward. Leonid Kuchma said cooperation with the Supreme Council is under way and, as the president, he would like to come to terms with parliament in resolving this most urgent issue of today.

Holds Conference on 'Issues'

LD1411212294 Kiev UNIAN in Ukrainian 1900 GMT 14 Nov 94

[FBIS Translated Text] Kiev [No dateline as received]—President Leonid Kuchma on 14 November held a conference on privatization issues. It was emphasized at the conference that the acceleration of the privatization processes is one of the most principal tasks to implement the macroeconomic stabilization program.

According to Ukrainian president's macroeconomic adviser Anatoliy Halchynskyy, "price liberalization without further privatization will result it another administrative price rise." Also, Anatoliy Halchynskyy pointed out that, in his opinion, "Ukraine is not ready to launch a broad-scale privatization process before a new structure of managing this process is set up." Such a structure has already been worked out and will shortly be submitted to the president of Ukraine for him to familiarize himself with it.

In the opinion of Yuriy Yekhanurov, chairman of the State Property Fund of Ukraine, 10,360 enterprises have

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been privatized by 1 November 1994. Of these 4,100 are state and 6,261 are municipal enterprises.

To speed up the privatization process, Ukraine's president will soon issue a decree on simplifying small-scale privatization which, in the opinion of the majority of the participants in the conference, must be completed during 1995.

A draft decree by the president of Ukraine "On measures to ensure the rights of Ukraine's citizens to use privatization property certificates" is expected to be signed this week, Deputy Economics Minister Lada Pavlykivska told UNIAN. In accordance with this decree, 8,000 medium-size and large enterprises are to be privatized during 1995. About 70 percent of the state enterprises' shares will be sold, with the privileges of their workers and leadership, envisaged by legislation, retained. They will also be sold to Ukraine's citizens for certificates. At the expense of the package of shares that will remain the property of the state (about 30 percent) citizens will get compensation for the depreciation of their savings.

Kuchma Notes Need for Strong Military

LD1411151494 Moscow ITAR-TASS in English 1454 GMT 14 Nov 94

[By UKRINFORM-TASS correspondent]

[FBIS Transcribed Text] Kiev November 14 TASS—Ukraine needs a strong and well equipped army, President of the Republic Leonid Kuchma said today during his visit to a garrison stationed in the city of Belaya Tserkov where he familiarized himself with a state of combat training of this mechanized formation.

"If we really consider ourselves a European state then despite all difficulties the army should be at the first place," the head of state who is also is supreme commander of the Ukrainian armed forces, stressed.

The president admitted that so far Ukraine had no clear military doctrine and comprehensive program for the development of the armed forces. In the near future the president intends to meet with military leaders of the republic to discuss a military doctrine, the outlook for the Ukrainian army and outline the necessary measures which the state should take in the sphere of strengthening its defense potential.

According to Leonid Kuchma, his visit to the garrison made an unhappy impression on him. "How can we speak about a high military skill when every fourth officer has no house to live, when the army is short of fuel and all military hardware is idle? The army should not be destitute," the Ukrainian president pointed out.

Moroz on Kuchma Program, U.S. Trip

WS1111143094 Kiev KIYEVSKIYE NOVOSTI in Russian 4 Nov 94 p 4

[Interview with Supreme Council Chairman Oleksandr Moroz, by Yuriy Konstantinov, place and date not given: "We Have No Time for Conflicts"]

[FBIS Translated Text] [Konstantinov] I would like to begin our interview with a question that might seem inconvenient to you in many aspects. For one thing, because you are a man who avoids categorically negative opinions about people, and who has demonstrated accentuated, I would even say, scrupulous delicacy in judgments. For another thing, because you are the leader of the party, which, judging by the reaction of the Kiev Socialist Party Organization, is quite skeptical with regard to the program of changes suggested by the president. Finally, you are chairman of the Supreme Council, and oppose conflicts between the branches of power. Thus, what do you think about Leonid Kuchma's parliament address and his concept for leading the state out of crisis?

[Moroz] I believe that at this point, tactical goals, particularly those related to consolidation of administrative structures, are more important than difference in opinions about strategic issues.

The president's speech was written two years after the former Cabinet of Ministers headed by Leonid Kuchma drafted its program of activities.

Frankly speaking, regarding conceptual approaches, the two documents are almost identical.

I believe that the president is sincerely striving to coordinate the administrative structures. However, it is quite evident that the initial draft versions of the president's speech were meant to demonstrate opposition between a president-reformer and a conservative legislature, rather than conciliate the two parties.

I think that under the circumstances, the Supreme Council has made the balanced and only correct step—a step to meet the president half-way. Meanwhile, many deputies are not satisfied with a number of the [president's] postulates, which can be deemed as erroneous.

Those erroneous postulates are different with regard to their possible dangerous consequences for Ukraine's future. Some of them do not constitute an imminent threat, because in light of objective realities, they just cannot be implemented in the volume envisioned in Leonid Kuchma's speech. This, in particular, concerns land reform or the deadlines for carrying out privatization.

Every kind of policy is based on specific people, conditions, and realities. In the long run, those factors prevail over somebody's personal wishes. A certain smart man once said that a politician who spares no effort to implement or promote his ideas, often obtains the opposite result. This is an axiom of the world's dialectic development.

We have supported the president's principal intentions in the sphere of economic reform; we charged Supreme Council commissions with specific tasks, and have

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started to create legislative groundwork for the implementation of the presidential program. Thus, we have cleared the political field. We must work now. Work together.

[Konstantinov] Those are proper words. However, we heard them many times. Meanwhile, life becomes harder and harder....

[Moroz] When Prime Minister Kuchma presented the parliament with his program, he still had some time, as well as the momentum of the still-functioning former system. President Kuchma, however, has very little time, and the system has actually exhausted its potential. The cruel reality lies in the fact that all the administrative branches have to act jointly, as one body. We have neither the time for conflicts nor the right to incite them. We have no time for mistakes either.

The first thing that we must do, is create conditions for the government's efficient work.

[Konstantinov] The Supreme Council chairman always carefully declines to make emotional or critical remarks about the president, which is quite logical in this situation. However, you cannot prevent me from criticizing the president, or rather certain provisions of his detailed and somewhat extraordinary speech. Thus, I would like to point out that in my opinion, Leonid Kuchma's appeal to political parties and movements to pass a declaration of national accord, resembles an appeal to tigers to become vegetarians.

[Moroz] Ukraine's domestic situation is of a specific nature, given that political forces continue to fight for power using statehood slogans as a cover.

Paradoxical as it may seem, I believe that the president's appeal was not meant for parties. It gives an insight on the president's desire to change our society. However, we remember that President Yeltsin had similar intentions. Even an appropriate agreement was signed. We should admit, though, that it was preceded by Moscow's bloody October.

Criticism of the president is not an aim in itself. Many right- wing politicians hoped that the Supreme Council would reject the president's suggestions. That is why they started protecting Leonid Kuchma even before the speech was delivered, confident that this would facilitate their fight for power. Meanwhile, our calm reaction to the speech, based on specific arguments and analysis, and finally, our support of the president, thwarted their attempts.

I would like to cite another paradoxical conclusion: I think that those people who helped the president draft the speech were very disappointed by the legislature's support. I want to emphasize—not the president, but those people from his retinue who wanted very much to take a very rewarding stance—so to speak "we want, but they will not let us do anything."

[Konstantinov] Let us try to analyze the essence of the overall political processes taking place in Ukraine.

[Moroz] The country is encompassed by a bitter crisis, which is exacerbating, and can produce a national catastrophe. The clash of interests of the three major social groups is becoming more fierce. Those groups are: The state bureaucracy, the new bourgeoisie of criminals and profiteers, and the working people. Ukraine's future will depend on the outcome of this battle.

The key issues of the moment are the consolidation of state power, the restoration of elementary order in the activities of the state apparatus, and the establishment of law and order.

Today, it is vitally important to declare war against corruption and organized crime. However, we cannot transform certain structures, including the Supreme Council, into a team of detectives.

I spoke about those issues when the president's address was being discussed. At this point, even if a reliable foreign investor- company wanted to cooperate with us, and our interests coincided, it would not be easy to make it function within our economic system. If such a company could, for instance, ship oil to Ukraine, every initiator of this deal would have to be escorted by a squad of riflemen, because the mafia controls everything. We have not realized that yet—the mafia is not an abstract notion; it is a structure capable of influencing the political situation. The threat of its merger with the administration is very grave, especially in certain regions.

That is why rapid economic changes must be made, even antipopular ones.

Each kind of property must have its owner—be it the state, a group of people, or an individual.

If we procrastinate, the mafia may come to power. In that case, decades would pass before we save the situation.

Without resolving the urgent burning problems of the establishment of the state, economic reform in Ukraine will remain in the sphere of speculations.

[Konstantinov] Speaking about unpopular measures.... The Supreme Council is often criticized with regard to privatization.

[Moroz] In the field of the so-called "big" privatization, one can observe an illegal concentration of property in the hands of a small group of working staffs, mostly managers, termed "grabitizators" by the people. Here is an example: The workers of the Smilprombud construction company in Cherkasy Oblast after being laid off, learned that only 142 company employees had become share- holders, out of the total number of 400. When they started to complain, the manager said: "You wanted capitalism? You have it. Now, I am the master, and you are hirelings."

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It is very alarming that privatization is accompanied by a disintegration of scientific-research institutes, design offices, and scientific-production amalgamations of the defense sector.

That was why the Supreme Council decided to put an end to those ruinous processes and restore elementary order in the privatization of state property. Of course, those steps, despite their evident expediency, meet with rabid resistance on the part of pro-criminal politicized forces and corrupt bureaucrats. This resistance makes us seek compromising and sometimes not very smart decisions. Many mass media have raised a hue and cry, a sheer hysteria, as if to say: "Look, the Supreme Council is hampering such a progressive process!"

We are not hampering, though. We want to sort things out. We are sorting things out. And we will sort things out to make the privatization process open to the public, as is befitting of a civilized state.

[Konstantinov] Materials published in one of the Kiev papers cast doubt on the efficiency of your U.S. trip. The paper mentioned your adviser V. Bozhenar, the "Robertson and Lake" company, and investments, which Ukraine will never receive. Could you comment on that?

[Moroz] I know who orders those kinds of publications. There is nothing strange in those things, aside from how easily some reporters disregard such notions as impartiality, decency, or ethics. However, what kind of ethics are we talking about, when there is money involved?

The schedule of my U.S. visit was tight, and the visit was constructive. I managed to meet with leading representatives of the U.S. business circles. And not only U.S. representatives. Incidentally, on the day the aforementioned report was published, the Pentagon's envoy arrived in Kiev, the one responsible for the use of the Nunn-Lugar fund. She paid her first visit to me, and we continued to discuss issues that we started to discuss in the United States. I am not going to tell you everything; I would like to point out, though, that some $180 million is involved, while before my U.S. trip, the sum was much smaller.

I would like to cite a few names, so that our readers have some idea about the level of contacts: Vice President Gore, Senators Nunn, Lugar, McConnell, and Leahy, Congress Speaker Foley, Deputy Secretary of Defense Balbott—Clinton's schoolmate and close friend.... By the way, during my conversation with Balbott I managed to change his attitude toward Ukraine with regard to the Nuclear Nonproliferation Treaty. You may have noticed that Washington no longer insists that Ukraine immediately joins the treaty.

On the last day of my visit I met Defense Minister Perry, the managers of NASA and the Energy Department....

The Robertson and Lake Company is engaged in a kind of lobbying— a legal procedure existing in the United States—and organizes high-level meetings. Former President Kravchuk, for instance, used the services of this company during his U.S. visit. This is a norm in international relations, and one has to be very biased to view this as something humiliating to Ukraine.

As for Bozhenar.... What is wrong with his former work as a coach? Reagan used to be an actor before becoming U.S. President....

[Konstantinov] ....and the most stable period of U.S. development in recent decades is linked with his name.

[Moroz] Among contemporary political activists there are a lot of sportsmen. Does this give grounds to doubt their professionalism and competence? Mildly speaking, this is not serious. Actually, tabloids never use serious arguments.

[Konstantinov] What grieves you most?

[Moroz] The economic situation. Speaking figuratively, we have to lead the economy in a "manual mode" to a new fiscal year, a new budget, and new laws, which would enable it to function in the automatic mode. Then, the Supreme Council will not have to interfere all the time. If we pass a package of such laws within the next three months we can hope that the situation will stabilize and gradually improve. If the situation becomes uncontrolled and we begin to settle political accounts, this—God forbid—may disturb the balance between the administrative branches (there are people who dream about that). This would have catastrophic consequences for Ukraine. I believe that we will be able to avoid that. I believe in our people's wisdom, patience, and support.

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Belarus

Lukashenka Addresses Nation

LD1111225294 Minsk Radio Minsk Network in Belarusian 1900 GMT 11 Nov 94

[National address by President Alyaksandr Lukashenka, broadcast simultaneously on Minsk BTK Television Network—live]

[FBIS Translated Text] Esteemed citizens! I beg you to forgive me for the somewhat hectic style of my address. I want to say that it will be exceptionally brief. My address has been conditioned by those extraordinary circumstances which have developed in our society. Taking into account the fact that the government and the administration of the president of the Republic of Belarus are now preparing a detailed report for you, I would limit myself to just several statements which describe this extraordinary situation. Before I do that, however, I would like to tell you that our delegation led by the president has returned from Moscow. We have spent the whole day today negotiating with the leadership of the Russian Federation. At the beginning there was a substantial conversation with the prime minister of the Russian Federation, Viktor Stepanovich Chernomyrdin, followed by a similarly substantial meeting with him and Federation Council chairman Vladimir Shumeyko, who had only recently visited our republic.

As you know, after the latest sitting of the heads of the CIS states we agreed with Viktor Stepanovich Chernomyrdin that we should make every effort to normalize relations between the Republic of Belarus and the Russian Federation. We must return to those good programs which had been developed and furthermore deepen the programs which have been only recently discussed. The purpose of that meeting was to supervise these issues and also to discuss the situation regarding supplies of energy carriers to the Republic of Belarus, the work of the economy in winter conditions and the debt of the Republic of Belarus to the Russian Federation for the above products.

Full understanding was achieved on all the problems discussed. On Monday our delegation will continue to prepare a treaty and a package of agreements which will be signed sometime in the future by the heads of government and the presidents of the two states.

We have just returned from Moscow. Having studied the situation in the republic during 10-12 days of my absence from the Republic of Belarus I feel obliged to make a following statement. Yes, it is true that the situation in the Republic of Belarus is extraordinary. On the eve of the forthcoming parliamentary elections the political struggle has become much more acute. Instead of pulling together forces of all political movements, all the leaders, first of all of local authorities, the Supreme Soviet leadership and the Supreme Soviet on the whole for implementation of the recently adopted program of urgent measures, the Supreme Soviet along with many other political movements, virtually all movements, have effectively positioned themselves in opposition to the president of the Republic of Belarus.

Moreover, in my absence the Supreme Soviet has considered a number of issues which one way or another compromise the president of the Republic of Belarus completely without any ground. Quite recently, three weeks ago, I conducted a meeting of the Cabinet of Ministers to which heads of the Supreme Soviet, all law-enforcement bodies, ministers, members of government and leadership of the presidential administration were invited. During that meeting open criticism of the leadership of the Supreme Soviet was voiced regarding the fact that over the recent time all former highly positioned officials whom I have forced to resign are concentrating in the Supreme Soviet. And they are not simple people - they are often people of the rank of general. I receive more and more information about their [word indistinct]. As well as the Supreme Soviet, a number of extremely nationalistic organizations have stirred up their activities today. Left organizations, which describe themselves as left, have joined them. Centrist organizations have joined them in their fight against the president. I would like to say even more. They have been behaving lately not like Slavs, having used my absence due to certain circumstances. I have never thought that political struggle can be conducted this tactlessly and indecently. You all know that I have made a number of efforts to stabilize the situation and to consolidate around myself all those who are today prepared to work toward making the Republic of Belarus move in the direction of normal [words indistinct].

Apart from the fact that these people continue to convene at the Supreme Soviet and to develop a position which does not correspond to the [word indistinct] and aspirations of the population of the Republic of Belarus, and apart from their attempts to block the decisions of the Belarusian president, I have found that the Supreme Soviet recently put on its agenda an issue which was rejected during the first days of the session—the issue whose very inclusion on the agenda means that there are attempts to discredit the president. This is the issue of allegedly obtained facts of corruption in the administration of President Lukashenka.

In this connection I would like to tell the initiators of this issue and also the Supreme Soviet: If somebody from the team who came to power with the president after 10 July has embarked on that path, I would like them to give me that information. The same was stated during the opening of the Supreme Soviet. I have not yet been presented with a single fact. I stress once more: I do not understand the position of the Supreme Soviet regarding the discrediting of the president and his team. On the eve of the election struggle, populist statements by certain unsuccessful politicians of the Republic of Belarus have become more acute. There are a lot of them today in the republic. I demand that the chairman of the National

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Broadcasting Company stop broadcasting nonconstructive speeches at the Supreme Soviet.

From today, the mass media, both state and independent, must assume a constructive state position and carry out an appropriate policy. I am in no way against them criticizing the position, including that of the president. However, criticism should have an objective and normal character from the viewpoint of our society. I would like to warn all those watching television today who once more smile and say that this is just another threat by the president. I do not intend to threaten anybody. If my demand is not carried out there will [words indistinct] consequences. I am addressing in this connection [word indistinct] of the Constitutional Court, which did not wait for my return and hurriedly and quietly, at a closed sitting, suspended the effect of the law which establishes a presidential vertical, recently adopted by the Supreme Soviet by [words indistinct] constitutional majority, in violation of the laws of the Republic of Belarus and the Constitution of the Republic of Belarus.

One can only guess at the consequences of this action by the Constitutional Court and its members—excepting just one person with principles, who had the courage to convince the Constitutional Court and vote against the decision of Georgiy Vasilevich.

I will remind you: I appealed to the Supreme Soviet to grant me the right to form local authorities in order to establish order in the Republic of Belarus, in accordance with the Constitution of the Presidential Republic of Belarus [as heard]. Why did it happen? Because the citizens appeal mainly to the presidential administration, to me personally, and to the government, demanding that basic order be established in local authorities. Special authorization was needed for this purpose, and the Supreme Soviet provided the president with this authority.

Suddenly, all those who until recently had been poisoning the people with Cheryomukha [tear gas] in the squares, called for torpedoing this resolution. The Constitutional Court, in violation of [word indistinct] of the Constitution, agreed to stop the effect of this law. In this connection, I demand that the Constitutional Court and its leader, Valeriy Guryevich Stikhin, presently the deputy chairman of the Constitutional court, return to this issue immediately and make a decision, because no one will wait until December and the community does not intend to remain in this chaos. Unless the Constitutional Court makes a decision during the next three or four days, the president will have to, mildly speaking, act in an appropriate direction.

What has really happened recently? The following has happened: The president could no longer stand the inertia of the bodies of local authorities—that is, oblast executive committees, rayon executive committees, village councils, and their leaders. Two weeks ago I issued an instruction to have the personnel dealing with appointments at these levels investigated. All chairmen of rayon executive committees and all chairmen of the oblast executive committees were addressed. At the same time, this did not mean that they would be dismissed from their posts. Moreover, I said that those who turned toward the people at this difficult time would retain their posts, probably sometimes regardless of the mistakes they have made.

However, due to some incomprehensible reasons, the leaders of these bodies of local authorities took a nonconstructive stand and, using their power, are now exerting pressure on the Constitutional Court and the Supreme Soviet. I cannot, indeed, agree with the approach of the leaders of the local authorities.

The work of the presidential commission, led by Viktar Kushynski, which is today active throughout the republic and whose actions have resulted in the removal of many leaders at various levels of authority, active steps taken by the Ministry of Internal Affairs, led by General Zakharenka, active steps taken by the Committee for State Security, led by Uladzimir Dzyamyanavich Yahoraw, and changes in the leadership of the MVD and KGB at oblast and republican level—we have replaced the entire leadership there because of the poor quality of its work—have resulted in the overwhelming majority of these people, I mean the chairmen of oblast and rayon committees, taking an unconstructive stand.

We have not publicized this yet, but we will report to you that a serious blow has been dealt to corruption recently. The Ministry of Internal Affairs has received for investigation over 111 cases—in the majority of these cases, criminal proceedings were instituted—concerning the building of suburban dachas, cottages, and palaces. This is what you asked me to look into during the election campaign. Of course, people who have stolen in the past and who have not expected a change of leadership in Belarus, are noticeably ruffled today.

I would also like to note an extremely unconstructive position of the former authorities of Belarus, led by well-known people. I would like to tell the people of Belarus that these people have lost once again. They have failed to cope with the nervous strain.

The so-called [word indistinct] and the so-called communists as well as the so-called former, past and present [as heard] have joined forces against the popularly elected president. I would like to state in this connection that I have never said that I do not have enough powers to establish iron order in Belarus. No, we have never raised this issue, and we will not slip into dictatorship in Belarus. However, in full compliance with the law and Constitution, I will use the powers vested in me by the Constitution, the powers and trust vested in me by the people during the election campaign.

That is why, in this part of my speech, I would like to address the heads of local bodies of authority. You should not think, esteemed comrades and sirs, that you

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will not have to answer for your deeds in this period of time, for the negativism [negativ] that you are permitting yourselves today.

Another problem that comes from the administrative quarters and is destabilizing the situation in Belarus has been addressed by a decree issued by the president of Belarus concerning the renewal of state sector administrators' contracts. One does not need to be a sagacious person to understand that I issued this decree in order to get rid of the careless administrators of industry: those who have forgotten what work is, those who are today throwing people out on the streets, those who, to put it simply, have taken to drink, those who are involved with corrupt elements, those who have in fact gone off the rails and joined the same bunch as the criminal world. For many people this decree, which was one of my first decrees, is, as they say, a pain in the neck. These people have taken an extreme stand in the struggle against the presidential team.

Tomorrow, as I have already mentioned, the Government of Belarus will hold a meeting. Tomorrow, every member of government and every minister will account for the work he has done since his appointment. The judgement will be thorough and categorical. No one will be excused. Everyone must know that they at least should earn their wage, however small. Very recently the Supreme Soviet approved the program of urgent measures proposed by me. I asked the Supreme Soviet for authority to implement that program by my decrees. The Supreme Soviet has not given me that right, having stated that the Supreme Soviet will work regularly without breaks and make necessary changes and additions to already existing laws and new normative acts. However, this is not happening so far. The most difficult change concerning implementation of the program of urgent measures has not yet been adopted and the Supreme Soviet, as I have already said, has sunk into an abyss of squabbles. I believe that the people of Belarus and electors must today at this final stage tell each deputy that if they are not capable of carrying the heavy burden of legislators they should leave the political stage.

There is another issue that has stirred up the whole society: prices, the price rises. I am not going here to refer to anyone. It is not the rises in themselves that upset the population, as I understand. Our population is indignant about the fact that not more than three weeks ago the president, when doubling people's income, stated that prices should increase by 18-20 percent when wages increased by 100 percent. As soon as the president left the republic some people saw their advantage in raising prices of basic foodstuffs and staple goods by 50, 70, 100 and even 200 percent. They justify it by the growth of the exchange rate of foreign currencies to our ruble. I would like to inform people that during my first days as president I instructed Prime Minister Mikhail Chyhir and Stanislaw Bagdankevich, chairman of the National Bank, to take categorical measures toward the stabilization of the ruble. I was then approached by heads of our largest banks offering help. However, their enthusiasm ended there. The prime minister and the chairman of the National Bank have done virtually nothing to stabilize our ruble and despite the fact that we have managed to stabilize the industrial slump to some degree, to bring the decline to the level of last year, the exchange rate of our ruble against the Russian ruble is falling steadily. I would not want to analyze the reason and give the details but tomorrow these two people will report on what they have done to stop the fall of the ruble.

I would even say more—no one is allowed to break the decree of the president, the head of the state, on price rises of 18-20 percent. Why have they gone up by 50, 100, and 200 percent on consumer goods? Specific people will answer this question tomorrow but today I have decided that the prices of foodstuffs and staple goods should be returned to the level of 1 November, within not more than the coming 48 hours. From Monday [14 November] all prices should be back in place, if one can say so, at the level of 1 November of this year plus 18-20 percent and not more. This concerns all forms of ownership and first of all state forms of ownership. Tomorrow the cabinet of ministers, the tax inspectorate, the Interior Ministry, and the KGB—all forces will be mobilized for overseeing the implementation of my order from Monday. Tomorrow the mass media will make this decree public—the decree, I repeat, that concerns the return to the level of prices of 1 November, to the level about which I spoke in the Supreme Soviet. I stress once more: Do not wait for additional instructions, managers and all those who raised prices—18-20 percent is your growth, only then, when the resolution of the cabinet of ministers or the decision of the president is adopted. What kind of administrative position is this? We have hardly had time to pay the population the double wages in connection with price rises which will be paid at the end of November or beginning of December, but we have already today put up prices by 1.5-2 times. Is this respect for their own nation or for their head of state who has demanded that price rises should be kept to 18-20 percent? In a word—48 hours for consideration. If it is shown that my order is not being observed people who manage trading organizations and enterprises will be fired and arrested.

I would like to turn to the intermediary sphere, the so-called businessmen. I never threaten you but I would like to warn you for the last time that you are making a very large contribution to the destabilization of the economy of Belarus. I would like to ask you: Do you really expect to build your happiness by filling your pockets at the cost of the nation's unhappiness? Even if you expect to succeed I must tell you it will not happen. We will very soon take categorical measures against some commercial structures. I was asking you during, as some say, 100 days to restructure and to begin production. However, commercial and entrepreneurial structures are reluctant to do that. We will help you to do it.

I want to say several words about trade. This is also the last warning to the minister of trade and the chairman of

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the Belcoopsoyuz [Belarusian cooperative union]. On Monday, during inspection of the rise in prices about which I spoke, we will check all small and large shops, especially in distant places. Some time ago I issued a decree and an instruction that each shop should display a list of staple goods so that each shopper can see what the shop should sell, at a minimum—bread, salt, matches, and so on—which would enable them to hold shop assistants and the managers of shop and trading organizations responsible for the availability of specific items. However, my order was carried out only in large cities and towns. As if the order did not concern the esteemed Mr. Gryshchenko. I have already mentioned that I am working on the issue of nationalization of consumer cooperations. I do not want my address to be perceived as a threat, but I would like to issue a warning—we will soon go from warnings to Comrade Gryshchenko and Mr. Gryshchenko and the whole system of consumer cooperations and their heads to specific measures. Thus I am stressing: the prices that have lately increased without grounds should be returned to their level—the level of 1 November. Those who do not want to do this out of their ideological considerations both in the government and in the administration of the president and other structures can leave their posts voluntarily.

There is another issue which is made much of by the press and mass media—the sickness of the president. [passage indistinct] I only want to say the following: my state of health should by no means bring joy to my political opponents who have assumed an extremely negative position toward the president of Belarus. At least during [words indistinct]. My current state of health allows me to rule the state and to rule the state according to the electoral promises.

There is a last point: the position of the press, of the leading newspapers, radio, and television. I know there are personnel problems and that the radio and television are undergoing dramatic restructuring. I know that at the top in those organizations there are people who went together with me through the hard electoral struggle. I must state that the current position of even radio and television cannot satisfy the head of state. I have an impression that journalists of our leading newspapers, radio, and television have become courtiers: to run around somewhere in the lobby of the Supreme Soviet, to grab some information there, to hang around the government corridors and cabinets, and to present this in the press as an achievement. Is this proper behavior for mass media? In this connection I would like to give a warning that today the department of information of the president's administration has been instructed to study the position of mass media. [Words indistinct] on the results of a report to the president.

Esteemed citizens of Belarus: At the end of my address I would like to say again that we need order.

I recently had a few meetings in Kuban with the leadership during which we examined specific questions. I also had meetings with the leadership of the Russian Federation, political forces, and movements. I was pleased to feel that the people of Belarus are respected in the entire territory of the Russian Federation. Do we really need this confrontation today? Do we really need this [word indistinct] today? I do not think that people need this. The people, who have elected me by an overwhelming majority, have the right to count on [words indistinct]. Whether some people like it or not, I will use all my constitutional rights and powers to ensure your [word indistinct].

I would also like to apologize to you for the unlawful actions taken by my government and the president's administration while I was away in the past 10 days. Such actions will always be given a very harsh assessment. The president will make such an assessment at the meeting of the cabinet of ministers tomorrow.

Esteemed citizens of Belarus: In the next two weeks I intend to prepare a extensive report and then appear before you to describe the situation which is taking shape in the republic. I also intend to issue several decrees concerning the stabilization of the situation in Belarus and especially concerning problems which have been bothering our people for so long. These problems have produced today's idlers—people who [words indistinct] without working. [passage indistinct]

Esteemed fellow citizens, esteemed [words indistinct]: I am absolutely certain that a number of measures will be taken in the near future to stabilize the situation in Belarus. I only ask you one thing. The people who once gave me their trust should today be supporting me more than ever before. They should support me for the sake of a better and easier life for our children, not in order to keep me in power but for the sake of their own children. Believe me, it is sometimes very hard and upsetting when they put a spoke in your wheels while you are trying to do something. I am not [word indistinct], I am not asking for the support of anyone else but you, who once entrusted me with power.

Thank you for your attention. Please forgive me once again if my speech had a slightly chaotic nature. I think that you have understood the main conceptual points in my address. Thank you very much and goodbye.

Meets With Cabinet of Ministers

LD1311175694 Minsk Radio Minsk Network in Belarusian 1700 GMT 12 Nov 94

[Address by President Alyaksandr Lukashenka at a meeting of the cabinet of ministers in Minsk on 12 November; monitored in progress—recorded]

[FBIS Translated Excerpt] ...I spoke about our meetings and meetings of the cabinet of ministers to be held on a regular basis there. This was the only point in which I deviated from my statement that not all of these would be conducted confidentially. I want the people to see the position of all politicians and heads of various structures

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of power. I want people to know what many of them probably do not know. I want them to see what the leaders of the highest echelons of power are doing today, what the chairmen of the oblast executive committees are doing. We will be inviting the chairman of the executive committees to these meetings and the meetings will be of a brief and concrete character. We have already passed a definite period of time after which the final results are to be accounted for in detail.

Talking perhaps in a somewhat confused way yesterday, which might not be fancied by some, but considering the circumstances, I am not sorry [words indistinct], it might be really said too mildly, after what occurred in the Republic of Belarus over the past two weeks. As the head of state, I cannot agree with those tendencies which have developed not only in the economy but also in politics. However, we have already spoken about this. Therefore, before announcing two speeches, I would like to request 15 to 20 minutes, not more, from [names indistinct].

I would like to talk about yesterday's meeting in Moscow. It must be said that what the mass media are reporting today does not correspond with reality. We have come to the point when a BELAYA RUS or whatever, I do not want to speak of SOVYETSKAYA BELARUS, warns the president. What is the position? What is the warning about? They warn against the pro-Western political course. Who has drawn the conclusion that the president is following a sort of pro-Western political course? I clearly and unequivocally informed the cabinet of ministers, the government, three weeks ago and BELINFORM has reported in the mass media that relations between Russia and Belarus are developing today more intensively than ever. But we have stopped agitating society with announcements about a merger of currencies. No one needs that at all. So far 27 agreements have been prepared as part of a comprehensive treaty on good-neighborly relations and cooperation, or friendship, as it is called. Virtually all issues, except three, have been resolved by today and they practically unite the two states in the economic sphere. I have already spoken on this issue.

Where did esteemed (Aksinskiy) get information of this sort? And what does this warning by the newspaper to the president of Belarus mean? What is the position taken by the newspaper? I am not going to intimidate anyone, but I would like you to consider, whenever anyone writes or says something, whose money this newspaper exists on and what it says. Or think of quotations from certain leaders who, as was done during communist times, absolutely groundlessly state that the prime minister does not control the situation. Is that really so? If it is the case, we have the Supreme Soviet and everything must be done in a civilized way. But why should the public be agitated in this by a personal opinion? I arrived in Moscow yesterday to make a report. It was 11 degrees below zero outside and the heating was not switched on in the center of Moscow. So, we should have enough conscience to see what is happening around us. And what does the position of the bodies of local authorities mean? Can you not wait until the president comes back? Then come to him and openly ask him concrete questions. Say openly as one of you did: Alyaksandr Ryhoravich, I want to work and I have not exhausted my potential. Give me another opportunity for a term. I can understand statements like this. This complies with the vertical line of presidential power. This should have happened in all cases. [passage omitted]

I have stated publicly and clearly that those who have not committed an offense that is tantamount to a crime will remain within the body of the authorities. I realize how difficult it is to find a man suitable for the government and the vertical line today, or how difficult it was yesterday, when everything was permitted, when total permissibility grew into real crimes described by the criminal laws we, including myself, created in the Supreme Soviet. [passage omitted]

I am extremely indignant about the stand taken by the chairmen of oblast executive committees who have openly come to an agreement and, moreover, passed a law.

Three weeks ago, a statement made by the chairman of the Supreme Soviet was considered and there were absolutely no problems. Suddenly I learn that the law has been suspended. On what grounds was the law suspended? Tell me. Does any enforcible enactment stipulate that the Constitutional Court has the right to suspend a law passed by the Supreme Soviet by virtually the constitutional majority? Is this an attempt to discredit the president and the power structure? Is this an attempt to break this fragile balance which is held in Belarus at present? Is this the position held by the Constitutional Court and all the political forces, who splashed out this idea into public view? [passage omitted]

Without any dictatorship, we will simply start a concrete action on establishing order. We have always spoken about establishing order and the newspapers have written about this. [passage omitted]

Please do not reproach me and say that the decision made on increasing incomes was a self-willed one. There was no self-will. There was a concrete assessment. My decree on the subject stipulated an increase of incomes of a certain part of the population by 18-20 percent. Why should not we give the people money and increase their salary by 20 percent? Have we fallen into such poverty that we are not able to find a few billion rubles for this purpose in the budget? No one is against the price rise but it must be done in a civilized way. The head of state speaks about it. But someone else wants...[pauses] I think various departments united, having found a scapegoat—and increased prices by 50, 70, 100, and even 200 percent. But wait a little. I am sorry but there was no agreement about that when the president was making this announcement at the session. I reiterate: There are those who gain from the destabilization of the situation

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in the republic. They smelled that the moment had come and rushed in a mass attack against the president. [passage omitted]

Even according to your analysis of 1 November, the rate of price increase compared with 1 August was 29 percent for bread of the Belarus type, 36 percent for bread of the Pridnyeprovskiy type, 28 percent for bread of Narishanskiy type, 29 percent for a long loaf, 78 percent for a bottle of milk, 98 percent for curd, 59 percent for lean pork, 59 percent for fat pork. This are data for 1 November. How about later? How did the prices increase after this date? Some 50, 70, 100 percent in addition. [passage omitted]

I ask you, Lev Heorhiyevich and Pavel Nikolayevich, to comply with the statement made by the president live on the radio yesterday and ensure that by Monday, you still have two days, prices are brought back to the level existing prior to the latest increase. If we intend to raise prices, we have to tell the people. Tell them that prices will rise the following day, but the day before that you had to give them the money they would be able to buy goods with. [passage omitted]

No one in the cabinet of ministers asked the question: What will happen to the approximately 1 million pensioners when we increase prices to that extent?

I invite the minister of finance, I invite ministers. I quote: the minister of finance stated—and he is the man accountable for every kopeck—Alyaksandr Ryhoravich, we must now raise the income of the population, because we have ridiculous wages, truly ridiculous. For some reason we took some eggheads [yaytsegolovyy] as advisers in the administration who long ago were thrown out of the political scene of neighboring states, and once again we start to travel that road which they long ago traveled. [passage indistinct]

Speaking about discipline in the highest echelons of power, I should like to take advantage of the fact that we have TV cameras here to address their majesties the working class and peasantry who apparently voted 100 percent for Lukashenka. This does not mean that today they will drink vodka and [word indistinct] any kind of work. This also refers to the countryside. Demands will be strict—from top to bottom. And for workers too—it does not mean that I am going to swear and shout today—tomorrow Lukashenka will come and chop off your heads. What sort of thing is this? [passage omitted including indistinct portions]

Finally, a decree has been adopted on the renewal of contracts. If this job falls through, the ministers will be answerable for it, primarily Kurankow [minister of industry] and others. [passage omitted]

Chyhir on Energy, Economics, Bilateral Relations

LD1111210494 Moscow INTERFAX in English 1711 GMT 11 Nov 94

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] Here is the last part [as received] of the exclusive interview, granted to Interfax by Belarusian Prime Minister Mikhail Chyhir.

Interfax: How is the government planning to tackle the problem of payments for the Russian energy and fuel?

Chyhir: The Cabinet attaches special importance to this problem. The supplies of Belarusian products to Russia must be increased, and energy resources rigidly rationed.

The government is determined to stimulate exports, which is clear from the Cabinet's program of measures to overcome the economic crisis.

I must admit, though, that our energy-saving measures are not always efficient. The government believes that administrative measures won't do here and that purely economic ones should be used, say bringing the prices on energy and fuel to the level of their cost value. Earlier, tariffs on electricity were much lower than the spending on generating it. As a result, the Ministry for Energy has piled up an enormous debt which has not been repaid to this day.

Thanks to the tough measures, taken by the Belarusian government in August and September, Belarus has been paying on time for all of the Russian energy supplies lately.

However, the beginning of the heating season considerably increased the consumption of energy in Belarus which found it difficult to cover all of the current energy expenses. The government is making everything it can to accelerate the payments.

The increase in the domestic prices on energy to the level of its cost value causes industrial enterprises to cut down energy consumption. Many of them still do not heat the premises.

Incidentally, whenever I ask managers of industrial enterprises whether they switch off the heating systems in the administrative buildings, I see many raised eyebrows. Meanwhile, last winter the heating system in the building which housed the Belagroprombank, which I led, and the Belselkhozproekt institute, was switched off regularly on Friday afternoon, and switched back on on Sunday night. Technically, there was nothing difficult in that, but energy saving was rather impressive. If all enterprises and organizations follow this example, the national economy will only benefit, while the money thus saved might be used for increasing the salary fund.

To cut down energy consumption in the housing complex, the Cabinet has increased the population's share in the payments for the energy used in homes. In addition to this, beginning January 1, 1995, energy consumption quotas will be introduced. The families using energy in excess of the quota, will pay for the surplus at its cost value. The owners of private houses will be subsidized within the limits of normative floorspace. So the owners of many-storey cottages and modest houses shall be

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subsidized depending on the number of people living in the building. The surplus floorspace shall be heated without any subsidies.

The practice of making payments for expensive types of energy by the tenants is expected to cut down the consumption of energy. I have already received information that in individual populated areas the temperature in apartments exceeds the established norm. This is so through the fault of the local authorities. When the price on energy and fuel becomes adequate, such things will not happen. Believe me, this is not to say that people must freeze in their homes. But in the current economic situation, every effort must be made to economize.

Incidentally, the republic is not faced with any serious heating problems. The operational reserve of fuel oil amounts to 40 percent of the norm and the state reserve - 80 percent. The subsequent supplies of fuel oil and natural gas are to be carried out in exchange for Belarusian commodities, or repaid from the IMF or World Bank credits. On its own, Belarus cannot pay for the supplies of gas and petroleum products. Our economy is not prepared to do so. At least in the winter, we'll have to resort to external sources of financing.

As to the supplies of Russian coal, we have no problems here. Belarus can receive Russian coal in exchange for BelAZ heavy trucks. Our reserve of pressed peat stands at 63 percent of the norm and fire wood - more than 100 percent. Given the current economic crisis, many of the economic managers are building a reserve of fire wood. So, if the winter is severe, firewood might be used instead of the traditional types of fuel.

Interfax: What's the position of the new government on the export of weapons and military equipment?

Chyhir: We must do this business. But we must organize it in such a way as to prevent our weapons from turning up in "hot spots", and ensure that weapons be exported in a civilized way, in accordance with the international norms.

The government has taken the decision to set up an organization similar to Russia's Rosvooruzheniye, whose activity must be strictly controlled by the state.

As to the arms selling contracts, earlier concluded with the Beltekhexport company, which received corresponding powers at one time, all of them will be fulfilled, so that we could avoid sanctions. The money thus earned will be directed either to the state budget or to the Defense Ministry. The Beltekhexport will not have any opportunity to benefit from the arms deals.

Interfax: Not long ago you met with Lithuanian Prime Minister Adolfas Slezevicius. Among the topics discussed was the delimitation of the Belarusian-Lithuanian border. When will this work be finished?

Chyhir: In November or December, the delimitation maps are likely to be submitted to the Belarusian and Lithuanian parliaments.

During the talks with Slezevicius we came to terms on practically all of the delimitation issues. Both of us believe that the media reports about the delimitation of the railway station Gadutishki being a stumbling block during the talks have been artificially exaggerated. There are no problems, even though during the Soviet time this transportation center was moved from the jurisdiction of the Belarusian railways to that of the Lithuanian railways.

A 3 kilometer stretch of the border runs along the railway. Near Gadutishki the railway will branch out to Lithuania. So, the main railway belongs to Belarus and the Lithuanian branch to Lithuania. Lithuania will also have the building of the railway station. WeE have agreed to run this building jointly.

The Lithuanian prime minister promised to put Belorussia health center, located in Drusininkai, under the jurisdiction of Belarus.

Interfax: There is much talk about the possible resignation of Belarusian Savings Bank leader Vladimir Khilko.

Chyhir: He is likely to be transferred to another job. But it's difficult to say whether it would be a promotion or demotion.

Khilko is an experienced banker. However, the drawback of the Savings Bank as a state structure is in that it was not guided by the current market situation and did not use all of its opportunities in handling hard currency. Meanwhile, the Savings Bank personnel and network are much larger than those of all other Belarusian banks taken together. Khilko should have set up state exchange offices in all of the Saving Bank's numerous branches.

But then even in state organizations, not everything depends on the manager. I would like to say once again that Khilko is a highly professional banker.

Moldova

Russia Announces Peacekeeping Force Cuts

AU1411143794 Chisinau BASAPRESS in English 2030 GMT 11 Nov 94

[FBIS Transcribed Text] Tighina (Bendery), 11/11/1994—On 19-28 November the Russian peacekeeping contingent will be changed. Simultaneously, the number of troops will be reduced from four to two battalions, stated during the Joint Control Commission (JCC) session General Azat Hachaturov, the Russian peacekeepers' commander. A Moldovan representative in the JCC told BASA that such a unilateral decision could lead to complications in the security zone. The quoted source said that during the September consultations between Russia and Moldova, the latter approved of Russia's intentions to reduce its troops, but with the condition that the security zone is demilitarized before that. "We think this is premature, since the Tiraspol leadership breached the 21 July 1992 Moldovan-Russian

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agreements and introduced military units and border troops in the security zone," said the quoted source.

Dniester Official Disagrees With Reduction

AU1411151694 Chisinau BASAPRESS in English 2044 GMT 14 Nov 94

[FBIS Transcribed Text] Tiraspol, BASAPRESS, 12/11/1994—"Like Moldova we cannot welcome the 50 percent reduction in Russian peacekeepers' number which will occur by late December as the July 21, 1992 Moldovan-Russian agreement was not fully fulfilled," Grigori Maraktusa, Dniester Supreme Soviet chairman, stated to BASAPRESS. Russia incurs expenses and it is its right to decide on the reduction in its contingent, he said. Under these new circumstances, either Moldova and Dniester jointly control the area in the security zone left by the Russian peacekeepers or the security zone near the Grigoriopol and Slobozia districts is liquidated, Marakutsa pointed out. Previously, Chisinau accused Tiraspol of locating Dniester troops in the security zone. Marakutsa said that "they cannot be withdrawn for the simple reason that Dniester troops in the security zone. Marakutsa said that "they cannot be withdrawn for the simple reason that Dniester's territory is too small." [punctuation as received] He said that all these problems can be settled it Chisinau and Tiraspol simultaneously reduce their armed forces.

Snegur, Officials Discuss Gas Supply, Debt

AU1411155294 Chisinau BASAPRESS in English 2044 GMT 12 Nov 94

[FBIS Transcribed Text] Chisinau, ROMPRES, 12/11/1994—Today, Moldovan President Mircea Snegur summoned officials responsible for gas supply to Moldova, states a Presidential Press Service communique. Snegur decided to take urgent measures not to allow suspension of gas deliveries caused by not repaying the debts towards the Russian gas company "Gazprom". The need to respect contractual terms was also emphasized. Gas supply was suspended for almost two days. Yesterday, "Gazprom" resumed gas deliveries with the condition that Moldova reduces gas consumption by 50 percent, BASAPRESS learned from Mihail Lesnic, "Moldova-gaz" deputy director. Thus, Chisinau committed to reduce its daily gas consumption from 14 million cubic meters to 7 million. The "Moldova-gaz" company cut gas supplies to all industrial units, except power stations, bakeries and residential sites. Lesnic stated that Russian suppliers suspended deliveries because unlike Chisinau, Tiraspol refused to reduce consumption.

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Kazakhstan

Kazhegeldin, World Bank Head Discuss Reforms

LD1011191794 Moscow INTERFAX in English 1631 GMT 10 Nov 94

[FBIS Transcribed Text] World Bank president Lewis Preston and Kazakhstan Prime Minister Akezhan Kazhegeldin have met to discuss the development of the former Soviet republic's oil and gas industry, its privatization problems and agricultural reforms, the Kazakh government press service said.

Preston, who arrived in Kazakhstan on Thursday to end a one-week tour of post-Soviet states, was also due to meet President Nursultan Nazarbayev and visit an oil refinery in Chimkent.

On November 8, Preston said the World Bank would give Kazakhstan a three-year loan of $250 million to $300 million, and early this week he reaffirmed, at a meeting in Moscow, the Bank's intention to provide loans for Russia next year totaling $3 billion.

Also this week, the Bank decided to give Russia its first environmental loan of $110 million, while the International Development Association announced that it would lend $18 million to Georgia to help the republic restore its economic infrastructure, whose state Western experts assess as critical.

IBRD Grants $1 Billion in Credits

LD1511094394 Almaty Kazakh Radio Network in Kazakh 0400 GMT 15 Nov 94

[FBIS Translated Text] Prime Minister Akezhan Kazhegeldin and the head of the International Bank for Reconstruction and Development [IBRD] have held a news conference on the two days of talks between President Nursultan Nazarbayev and IBRD President Lewis Preston. They told journalists that the bank is to grant Kazakhstan $1 billion credit within three years, for a 17-year term at 7.5 percent interest.

Mr. Preston noted that the credit funds will be used for the development of the production and agricultural sectors and for social needs.

According to the prime minister, part of the credit will be used to stabilize the oil and gas industry, specifically to develop the Uzen oil deposit and the associated transport and communications infrastructure.

The bank's management has expressed its intention to inform the Paris Club about the market reforms achieved in Kazakhstan and ask it to support the republic's processing of the credit.

In the IBRD president's view, the economic reforms in Kazakhstan have become irreversible and nothing can turn them back. That is why the international financial organizations are interested in supporting reforms in the republic so as to receive a return on their investments.

The head of government gave an assurance that all of the IBRD's recommendations will be implemented.

Mr. Kazhegeldin and Mr. Preston answered questions put by journalists.

Almaty, Moscow Establish Financial 'Consortium'

LD1011205794 Almaty Kazakh Radio Network in Russian 1500 GMT 10 Nov 94

[FBIS Translated Text] Kazakhstan and Russia have agreed to establish an interstate industrial finance consortium entitled Sotrudnichestvo [Cooperation] on a parity basis. This is yet another significant step toward the development of equal and mutually advantageous relations between the two countries.

Prime Minister Akezhan Kazhegeldin met the participants in the consortium yesterday [9 November]. The head of government noted that this new powerful industrial organization will operate on a commercial basis and involve private capital. It will serve to increase mutual commodity circulation and to pool resources. The fiscal and capital resources of various enterprises, organizations, joint-stock companies, and banks will be used more effectively.

Nikolay Zimagorov and Saylybay Bekbulatov, the presidents of the consortium, Leonard Rafikov, the president of the Oil and Gas Joint- Stock Company, Aleksandr Smirnov, the chairman of the board of directors of the consortium, and others who spoke at the meeting paid particular attention to the need to develop the oil-refining and chemical industries and agriculture, and to construct new projects and a manufacturing base for them in both countries.

Proposals to exempt some areas of the consortium's activity from taxes and duties were put forward. The sides have agreed the structure of the consortium. It includes 10 legal entities from each of the states. These are mainly major corporations and farms, and incorporate dozens of factories, plants, industrial units, and other structures. Experienced scientists, specialists, and businessmen have been appointed to the leadership of the consortium.

Representatives of Russia who have joined it are to hold a series of meetings and consultations with Kazakh ministries and government departments. They will also visit some industrial and commercial complexes.

Isingarin Represents Republic on EU Committee

LD1511124694 Almaty Kazakh Radio Network in Russian 0900 GMT 15 Nov 94

[FBIS Translated Text] In accordance with an edict by the president of the Republic of Kazakhstan, Nigmetzhan Isingarin, first deputy prime minister of Kazakhstan, has been appointed a member of the presidium of the CIS Interstate Economic Committee of the Economic Union representing the Republic of Kazakhstan.

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Parliament Discusses Russian Nuclear Presence

LD0911200394 Almaty Kazakh Radio Network in Russian 1500 GMT 9 Nov 94

[FBIS Translated Text] Today's morning session of parliament began with consideration of a bill to amend the republic's law on social protection for citizens who suffered as a consequence of nuclear tests at the nuclear test site in Semipalatinsk. After being discussed the bill was passed.

On a proposal by the Finances and Budget Committee, the Supreme Council confirmed changes in the board of the National Bank.

The parliament then ratified an agreement between Kazakhstan and Russia on the temporary deployment of strategic nuclear forces on the territory of our republic.

In the afternoon, the parliament discussed a matter concerning the chairman of the Committee for Industry, Transport, Power Engineering, and Communications. Kazhmurat Nagmanov was relieved of his duties as chairman and as a member of the Coordinating Council because his membership of the parliament ended ahead of schedule. Ashimzhan Akhmetov was elected to this post. Akhan Bizhanov, first deputy chairman of the Committee for State Construction and Regional Policy Affairs, became a member of the Coordinating Council from the People's Unity of Kazakhstan Union [SNEK] faction instead of Talgat Mamashev, whose membership of parliament ended ahead of schedule.

The Supreme Council confirmed a decree by the president ratifying an agreement between Kazakhstan and Uzbekistan on a single economic space.

Russia To Operate Missile Warning Center

MK1511115094 Moscow SEGODNYA in Russian 15 Nov 94 p 1

[POSTFACTUM report: "Kazakhstan To Turn 'Balkhash' Over to Russian Federation"]

[FBIS Translated Text] Kazakhstan will turn the Balkhash missile attack warning center, together with plots of land on which it is located, over to Russia for use without consideration, the Russian Federation Government's press service reported. According to an agreement between the two countries' governments on the procedure for maintaining and operating the center, it will be maintained and operated by the Russian Federation Defense Ministry.

Ministers Discuss Ethnic German 'Language Law'

LD1211171894 Almaty Kazakh Radio Network in Russian 0200 GMT 12 Nov 94

[FBIS Translated Text] At a regular meeting of the collegium of the Linguistic Committee under the Cabinet of Ministers, which was held in Almaty, the heads of two regional directorates presented their accounting reports—Zhanat Tugelbayev from Akmola and Omirzak Amantayev from Karaganda. It was not by chance that these regions were chosen. It is from these particular regions that the most massive exodus of ethnic Germans has been noted. Last year 30,000 and 70,000 people respectively left these regions. Only real involvement of the authorities in implementing the Cabinet of Ministers' resolution on complex measures of the Kazakh Germans' revival can improve the situation. Measures are needed to implement the law on languages. The authorities lack this kind of attitude on the issue in the areas densely populated by the ethnic Germans in these regions. The meeting passed a resolution following the discussion of the problem. The resolution recommends to revise the previously planned measures and to map out more specific measures of cardinally improving teaching the German and Kazakh languages. What is also important, is that the economic aspects of the work should be defined so as to be supported by the regional authorities. The committee will control in two months time how its recommendations have been implemented.

Kyrgyzstan

World Bank Grants Loan, Cites 'Stable' Currency

LD0911210494 Moscow INTERFAX in English 1933 GMT 9 Nov 94

[FBIS Transcribed Text] Kyrgyzstan will be granted from $250 to $300 million by the World Bank within the next three years, World Bank Vice President Siegfrid Talwitz told a news conference in Bishkek Wednesday [9 November]. He pointed out that his bank believed that the republic's policy was favorable for deepening reforms.

Talwitz emphasized that Kyrgyzstan could serve as an example of achieving much progress in economic reforms despite considerable difficulties. He said the republic was the first in the ruble zone to introduce a national currency, and now the som is the most stable monetary unit in the entire CIS.

Talwitz also pointed out that Kyrgyzstan and the World Bank were carrying out a number of programs to develop the republic's health care system, private economic sector, power engineering, environmental protection, agriculture and stock markets.

Russian Embassy Denies Troop Withdrawal Report

LD1511120194 Moscow INTERFAX in English 1051 GMT 15 Nov 94

[FBIS Transcribed Text] The Russian embassy in Kyrgyzstan has denied local press reports that Moscow and Bishkek are ready to withdraw Russian border troops from the Central Asian country.

The embassy statement issued Tuesday says Russia has not raised the matter and the report is groundless.

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The Kyrgyz National Security Committee also published a statement Tuesday saying the report aroused surprise at the committee and among Russian border guards in Kyrgyzstan.

Russian troops guard the Kyrgyz border with China under an agreement signed in October 1992. The statement says neither Kyrgyzstan, nor Russia have taken any steps or initiatives to change the agreement.

Last April the two countries agreed on the possibility of Kyrgyz citizens doing their military service with the Russian border force stationed in their country.

Tajikstan

Rabbani Congratulates Rakhmanov on Election

LD1411175294 Dushanbe Radio Tajikistan Network in Tajik 1100 GMT 14 Nov 94

[Telegram from Afghan President Borhanoddin Rabbani congratulating Emomali Rakhmanov on his election as president of Tajikistan; date of telegram not given—read by announcer]

[FBIS Translated Text] Your Excellency Emomali Rakhmanov, President of Tajikistan, let me express my best congratulations on behalf of the peace-loving people of Afghanistan on your election as the first elected president of the fraternal country, Tajikistan. The people of Afghanistan consider your Excellency's victory in the presidential elections a good omen for the revival and unity of the people of Tajikistan and for the establishment of peaceful and friendly relations with its neighbors as well as the development and prosperity of Tajikistan's people. We hope as a result of your painstaking efforts, national reconciliation will be victorious in Tajikistan and political forces in that country will use their strength to resolve welfare and development problems and bring about happiness and prosperity for the people of Tajikistan, as well as pave the way for the repatriation of Tajik volunteers who are at present living in Afghanistan as guests.

The Islamic State of Afghanistan has been following the progress of the elections with interest and intends to clarify and establish fraternal relations with the Republic of Tajikistan. It hopes to strengthen and expand good relations for peaceful coexistence without interference in each other's domestic affairs.

Your esteemed Excellency, please accept the good wishes of our country for your health and for peace, prosperity, security, and progress of the fraternal people of Tajikistan under your leadership.

We wish you and the Tajik people great victories from almighty God. Victory is from God.

[signed] Professor Borhanoddin Rabbani, president of the Islamic Republic of Afghanistan

Turkmenistan

Presidential Edicts Note Personnel Changes

LD1411150094

[FBIS Editorial Report] Ashgabat TURKMENSKAYA ISKRA in Russian on 8 November 94 provides the following presidential edicts:

1. "Edict of the President of Turkmenistan concerning J. Babakulyev" [headline]

[Text] Jorakuly Babakulyev is hereby relieved of the post as deputy chairman of the Cabinet of Ministers of Turkmenistan for serious deficiencies in his work.

[signed] President of Turkmenistan, Saparmyrat Turkmenbashy

2. "Edict of the President of Turkmenistan concerning M. Razhapov" [headline]

[Text] Matkarim Razhapov is hereby relieved of the post of first deputy chairman of the State Committee for Statistics of Turkmenistan.

[signed] President of Turkmenistan, Saparmyrat Turkmenbashy

3. "Edict of the President of Turkmenistan concerning B. Urazov" [headline]

[Text] Bayramklych Urazov is hereby relieved of the post of deputy minister of economy and finance of Turkmenistan.

[signed] President of Turkmenistan, Saparmyrat Turkmenbashy

4. "Edict of the President of Turkmenistan on the appointment of B. Urazov as chairman of the State Committee for Statistics of Turkmenistan" [headline]

[Text] Bayramklych Urazov is hereby appointed chairman of the State Committee on Statistics of Turkmenistan.

[signed] President of Turkmenistan, Saparmyrat Turkmenbashy

5. "Edict of the President of Turkmenistan on forming a Supervisory Service of the President of Turkmenistan" [headline]

[Text] With the aim of excercising the constitutional powers of the President of Turkmenistan to supervise the implementation by central and local authorities and administrations, of the Constitution and laws of Turkmenistan and the edicts, resolutions, and orders issued by the President of Turkmenistan, and the observance of state and fiscal discipline by officials, I hereby decree that:

A Supervisory Service of the President of Turkmenistan is to be formed.

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[signed] President of Turkmenistan, Saparmyrat Turkmenbashy

6. "Edict of the President of Turkmenistan concerning A.D. Dodonov" [headline]

[Text] Aleksandr Dmitriyevich Dodonov is hereby appointed head of the Supervisory Service of the President of Turkmenistan.

[signed] President of Turkmenistan, Saparmyrat Turkmenbashy

Deputy Chairman Razhapov Appointed

LD1411171394 Asgabat TURKMENSKAYA ISKRA in Russian 8 Nov 94 p 1

[FBIS Translated Text] Edict by the president of Turkmenistan on appointing M. Razhapov, deputy chairman of the Cabinet of Ministers of Turkmenistan:

M. Razhapov is appointed deputy chairman of the Cabinet of Ministers of Turkmenistan.

[signed] President of Turkmenistan Saparmyrat Turkmenbashy

[dated] Ashgabat, 7 November 1994.

Razhapov Profile

Matkarim Razhapov was born in 1937 in the village of Mayli-Jengel in Dashkhovuzskiy district. He is an Uzbek.

He started work in 1959 after graduating from Tashkent Institute for Irrigation and Agricultural Mechanization Engineering. He worked as a land management engineer, a senior surveying engineer, and party head of the Land Management Production Department at the Ministry of Agriculture.

In 1965 he was appointed head of the Land Management Department, and in 1971 he was made director of Turkmengiprozem, the state land- management planning institute of the Ministry of Agriculture.

Between 1982 and 1987 he was deputy minister of agriculture and head of the Central Agricultural Administration of the Turkmen SSR. He became chairman of the Turkmen SSR State Statistics Committee in 1987.

In January 1990 he was appointed chairman of the State Planning Committee of the Turkmen SSR.

From 1991 he was a member of the Presidential Council of Turkmenistan and a deputy in the Majlis [parliament] of Turkmenistan.

From November 1991 to August 1992 he was deputy head of the Turkmen government [deputy prime minister] and chairman of the presidential council's economic affairs committee.

From August 1992 to May 1993 he was deputy chairman of the Cabinet of Ministers and minister of state property of Turkmenistan. He was then compelled to leave his post for health reasons and take up the post of first deputy chairman of the State Statistics Committee.

Razhapov is now well, and doctors say he can take charge of any responsible area of work.

Uzbekistan

Karimov Meets Kuchma, Masol, Signs Documents

LD1011223294 Kiev Radio Ukraine World Service in Ukrainian 2000 GMT 10 Nov 94

[FBIS Translated Text] The program of the first day of the official visit by President of the Republic of Uzbekistan Islam Karimov to Ukraine was rich in events and negotiations. He met Ukraine's President Leonid Kuchma. During the conversation they touched upon issues of developing and deepening bilateral relations, and exchanged views on some international issues of mutual interest. The sides paid special attention to expanding trade and economic relations between the two states.

Simultaneously, negotiations were held between the government delegations of Ukraine and Uzbekistan.

There was a conversation between Islam Karimov and Ukraine's Premier Vitaliy Masol. The president of the Republic of Uzbekistan visited the Institute of Material Studies under the National Academy of Sciences of Ukraine and laid a wreath at the monument to Unknown Soldier in the Eternal Glory park.

The foreign ministers of the two countries held negotiations. A program of cooperation between the foreign ministries of Ukraine and the Republic of Uzbekistan was signed.

Ukrainian-Uzbek documents were signed at the Mariyinskyy Palace in the evening.

Proposes Joint Aircraft Project

LD1411194294 Moscow INTERFAX in English 1718 GMT 14 Nov 94

[From the "Presidential Bulletin" feature: by Nikolay Zherebtsov and Andrey Petrovskiy; edited by Vladimir Shishlin]

[FBIS Transcribed Text] President Islam Karimov has suggested an aircraft-building plant in Tashkent as a facility for assembling a new transport warplane, An-70, developed in Ukraine.

Karimov made the proposal during a visit to the Antonov aircraft design complex in Kiev. "It's paradoxical that the aeroplane should be made at the Samara aircraft-building plant (in Russia) which is not fit for it,"

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he said. "This means that it would take twice or three times as long to put the aircraft into systematic production."

Manufacturing An-70 in Samara is part of an earlier plan, under which Uzbekistan is to supply the wings and fuselage alone.

Ukrainian President Leonid Kuchma has described the Tashkent enterprise as a "super plant" which could organize the production of new planes very quickly.

Up to 70 percent of components for An-70 aircraft are to come from Russia, experts estimate.

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Georgia

Turkish President Arrives for Official Visit

LD1511111794 Moscow ITAR-TASS World Service in Russian 1034 GMT 15 Nov 94

[FBIS Translated Text] Tbilisi, 15 Nov (ITAR-TASS)—Turkish President Suleyman Demirel arrived in Tbilisi today for a one-day official visit. He will meet Georgian leader Eduard Shevardnadze and then take part in an expanded sitting of ministers of both countries to discuss bilateral relations, the development of ties between the countries of the Black sea region, and the general situation in the region.

The Georgian and Turkish leaders will hold a press conference later today, after which Demirel is expected to leave for Ankara.

Abkhaz Units 'Harassing' Repatriated Refugees

AU1511111994 Paris AFP in English 1041 GMT 15 Nov 94

[FBIS Transcribed Text] Tbilisi, Nov 15 (AFP)—Rogue Abkhazian units have been harassing Georgian refugees recently repatriated to the Abkhazian town of Gali, the UN High Commissioner for Refugees's (UNHCR) representative in Georgia said Tuesday [15 November].

"Apparently, rather nasty police units were sent to Gali last week, supposedly to replace other units, but they are not under the control of the Gali authorities," Gedolph Everts, UNHCR mission chief in Georgia told AFP.

Everts said the units had burned down more than 140 homes belonging to the refugees in revenge for alleged activities of Georgian irregulars still operating in the separatist area of northern Georgia.

Some repatriated Georgians have decided Gali is too dangerous and have gone back to Mingrelia in western Georgia, said one humanitarian aid worker. Everts said many refugees were moving back and forward between Gali and the Georgian town of Zugdidi.

Georgia's autonmous republic of Abkhazia fell to separatist forces, aided by North Caucasian separatists, in September 1993. More than 250,000 Georgians fled.

Under a Russia-backed peace accord signed between Georgia and Abkhazia in May, no armed Georgian or Abkhazian forces are allowed to operate in a zone along the border separating Georgia and Abkhazia that is patrolled by Russian peacekeepers.

The tension in Gali comes during the first stage of peace negotiations in Geneva sponsored by the UN Secretary General Butrus Butrus-Ghali.

Still "repatriation continues on a weekly basis and we still have some families who want to return, although conditions are less than ideal," Everts said.

Shevardnadze Views Domestic, Foreign Issues

LD1411113594 Tbilisi Radio Tbilisi Network in Georgian 0637 GMT 14 Nov 94

[Regular weekly interview with State Council chairman Eduard Shevardnadze by journalist Nato Oniani, place not given—live]

[FBIS Translated Excerpt] [Oniani] Good morning. We present an interview with the chairman of the Georgian parliament and head of state, Eduard Shevardnadze.

Batono Eduard, it has become a tradition lately to start your interview by reviewing the economic situation in the previous week. And a further question. Although promises were made with regard to the coming winter, the winter has come and we are facing a severe situation. There are major difficulties with electricity and gas. When can we expect definite changes for better in the situation and, generally, why did such grave circumstances evolve considering the fact that preparations for the winter started well in advance and we remember that specific individuals were given particular instructions at the special meetings of the government?

[Shevardnadze] Thank you and welcome.

I will speak briefly about the positive tendency which has been maintained, so far. This is a certain strengthening of our transition currency, the coupon. This points to the possibility of its becoming a natural process if handled consistently.

There was a demand for $21,000 during the latest regular trade session at the Tbilisi Interbank Currency Exchange. A new rate of the coupon against the U.S. dollar was established at this trade session. The U.S. dollar is valued at 1,935,000 coupons compared with 2,030,000 coupons on 1 November. It is a rather noticeable increase for a short period like this. Bids were made for $32,000. Some 93 million Russian rubles were brought to market by commercial banks but there was actually no demand. The coupon has strengthened in this respect accordingly. The rate is interesting. One Russian ruble values at 585 coupons. You might remember that it was over 600 coupons during the previous trade.

[Oniani] It is said to be even less on the black market.

[Shevardnadze] The changes on the black market differ a little from the official ones. We will probably speak about this during our next conversation because there are certain circumstances which need special analyses to be made by our economic and financial analysts. But, on the whole, a new stage, characteristic to market economy, has begun in our life. We analyze the situation on the stock exchange, we inquire about the rate of the national currency against other currencies. And the mere fact that we begin our interviews with a talk about the currency means a lot.

You have already talked about the difficulties we have been experiencing lately. In the first instance, we have to

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speak about difficulties in gas supplies. They are caused by serious damage to the pipeline carrying gas from Turkmenistan. The damage has not been repaired yet. It is natural that this was followed by serious difficulties in power supplies, heating, electricity distribution, and many other problems entailed by that incident on the pipeline.

[Passage indistinct - Shevardnadze speaks about the recent fire in the building of the Ministry of Education] This is said to be a case of arson directed mainly against the leaders of the ministry. I do not think these rumors have serious grounds but since there are rumors, and rumors have certain value in our community, I would like to state that the leadership of the ministry receives complete support from the authorities and we will act jointly as far as the restoration of the building is concerned. I believe that this stand corresponds with that of the numerous staff of teachers. [passage omitted]

I would like to say that many buildings were taken wilfully from the system of the Ministry of Education in the past. These were the buildings of vocational trading schools, some secondary schools, facilities for children, then pioneers' houses, technical stations and so on. These buildings were taken away without proper documentation. God knows who is managing the buildings. I want to request the Cabinet of Ministers to make inquiries into the issue and return the property to the children. If the buildings are not used, they can be sold or whatever. Our children have to maintain and make use of what the previous generations created.

[Oniani] Batono Eduard, infringements occurring in the Customs Department were discussed in the Georgian Prosecutor's Office last week. It was pointed out that due to the fact that the implementation of the decree on the value added tax and excise was delayed for about six weeks, the state budget lost $2.3 million. Apart from that, there were unlawful edicts and orders on granting tax exemption, issued by the leadership of not only the customs department but the government, as well. Certain goods imported to the country were exempted from taxes and duties. Individual firms and surnames were named. This was happening during the time the country should have been counting every penny to come out of the critical situation.

[Shevardnadze] I would like to point out the role of the Prosecutor's Office in protecting the interests of the state. This also concerns other law-enforcement bodies but this time it is the Prosecutor's Office that does the job. This is clearly demonstrated by the discussions over the activities of the Customs Department.

As you know, in accordance with my edict, a comprehensive inspection of the department has been carried out. Decisions of an administrative character have been made. An all-republic meeting of the officers employed in the sphere will be held over the coming weekend. This will be the first meeting of the kind. We are preparing for the talks very seriously. I would like the population to be interested in the event. It is necessary that everyone know what difficulties we encounter and in what complicated circumstances we are working.

However, we are still at the stage of building the state. It must be clear for everyone that a number of the state structures, including the customs department, have been founded from scratch. I do believe this forthcoming meeting will be the turning point for this very useful and vitally important sphere.

You have mentioned a few figures which by themselves point to the significance of the sphere.

Now, as far as the mentioned unlawful edicts and orders are concerned, I met some senior officials of the department, including [name indistinct]. I had a two-hour talk with him. I asked him to expose all these unlawful orders during the coming meeting, to point out who issued them. There have been cases when it was justified, as with bread and some other commodities. I was also aware of those. But it is permissible to have three or four exceptional cases like this rather than such a great number of them. Therefore, the population must be aware what we are dealing with.

[Oniani] It is 14 November today. There were rather sharp arguments prior to our delegation's leaving for Geneva. There were demands to have meetings with the members of the delegation. What concrete authorization was given to the Georgian delegation?

[Shevardnadze] It is yet difficult to speak about the detailed proposals the delegation has in mind at the moment. Several versions have been worked up. Speaking about Abkhazia's status is one thing. Discussing the return of refugees to Abkhazia is another thing and our demands are well known. It is not advisable to make public our ideas in advance, before the talks have begun. There is a general fundamental approach to the Abkhazian status and the return of refugees to Abkhazia.

I do not expect the Geneva meeting to answer all the questions. I am putting it mildly to be on the safe side. But the documents submitted there, with which I am familiar, will help us to make the current circumstances as well as future prospects more clear. I do not regard it as reasonable to discuss the issue at the moment before the talks have begun because this could mean outrunning the event. It will not do any good. Let us see where the dialogue will lead us and then return to the subject.

[Oniani] The past week started with an official reaction to the population's concern over the likelihood of a mutiny in the Tbilisi Sea area which ended with the units stationed there being made subordinate to the Georgian Interior Ministry and included in the interior troops. Fortunately, there were no excesses and, moreover, the commanders and the personnel of the assault landing battalion, now called a special-purpose unit of the

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Defense Ministry and the Security Service, said that they welcomed your decision to create a single structure.

[Shevardnadze] I would like to thank all those, I mean the military unit you just mentioned, that demonstrated understanding with regard to the decision taken by the head of state. [passage omitted].

We also have to appreciate the concerted and well-planned action by the Security Service and Defense and Interior Ministries. This is one side of the issue.

Now, a few words about the movement which is regarded by some as gathering volunteers to fight for the liberation of Abkhazia. There is lots of talk about their whereabouts and movements. They are said to have gathered at the Tbilisi Sea, then going on to Khoni, trying to occupy an orphanage in the Dzegvi area. They are also said to have been deployed in some street in Tbilisi or to have camped on Shavnabada, and so on.

I would like to say that serious work job is not done this way. And, generally, the lack of seriousness should be ruled out in issues like this.

I will speak further. Some other goals can be observed in this movement. Considering all this, we reacted accordingly. I would say that this means playing with fire. Did we not have enough of these games which always grew into a raging fire. We all know well the effects of one case of this, the second case, the third case and so on. The time the people could be incited by various populistic slogans introduced by those driven by personal interests and ambition has passed.

Georgia is gaining its state image. The state will protect the people's interests. This can already be seen. History is engulfing the times of adventurers, demagogues, and populists. No one will be able to reverse the machine.

[Oniani] Parliamentary debates were held last week. You said that the people would not elect politicians who offer the people street rallies and suchlike spectacles. Those who offer the country a realistic program will be elected. You also said that the ratings of those parties have fallen drastically. If we look at the results of sociological research, we can see that the interest the population displays in politics has become weaker. What do you think is causing such indifference among the population concerning politics? How positive is this phenomenon?

[Shevardnadze] I will comment on this rather briefly. I regard the debates as useful. First and foremost, they were useful for the public, for our citizens. I would request Georgian Television to show again some moments of the debates if there is an opportunity, because a large part of the population could not see or rather listen to what they should have listened to.

When speaking about elections, it is very important that the citizens know who is who. A debate like this is a way to cure the public of unhealthy polarization. I believe that the lack of interest you just mentioned is a healthy phenomenon. It is healthy because it frees the people from the polarization which brought us lots of misfortune.

I would like to say that we have to strive to establish a parliamentary mentality, if you will, rather than street mentality and methods brought to the parliament from the streets. Therefore, I regard the latest parliamentary debates as offering a certain lesson.

I will refrain from other comments. The people have drawn their conclusion and I agree with the conclusion.

[Oniani] A famous Turkish politician, President Suleyman Demirel, is arriving in Tbilisi tomorrow. A treaty of friendship, cooperation, and neighborly relations has already been signed between Turkey and Georgia. In addition, this is not the first visit Mr. Demirel has paid to Georgia. He visited Tbilisi at the end of July 1992 when he was prime minister. How significant do you think the visit is?

[Shevardnadze] Turkish President Suleyman Demirel has been at the source of new relations between Turkey and Georgia. He has been at the source of a historic stage not only in relations between the two countries but also in the history of the entire region. We all remember his first visit to Georgia you just recalled. A lot has changed in our life since then. And, of course, there are changes for the better. Turkey and its president render great friendly assistance to Georgia. I could mention numerous instances of such assistance.

We will hold extremely significant talks on the state and prospects of bilateral relations, regional and global problems, ways to settle conflicts, issues concerning the strengthening of peace in the region, boosting relations among the Black Sea basin countries, and some other issues. Georgia welcomes the president as a great friend of our country and an outstanding politician.

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Estonia

Foreign Minister Addresses Western European Union

WS1411151694 Tallinn Ministry of Foreign Affairs Press Release in English 1202 GMT 14 Nov 94

[Remarks by Minister of Foreign Affairs Juri Luik at meeting of Defense and Foreign Ministers of the Western European Union in Noordwijk on 14 November—received via Internet E-LIST]

[FBIS Transcribed Text] Mr. Secretary-General, Esteemed Colleagues, Ladies and Gentlemen,

Today's meeting is the second time that the nine Associate Partners have been invited to a meeting of the WEU [Western European Union] Ministerial Council. On behalf of my Government, I would like to thank the WEU for taking this step, which is a fine example of how to integrate Central and Eastern European states into Western structures. I would like to thank Mr. van Eekelen in particular for his foresight in granting us enhanced status here, as well as for his outstanding work in activating the WEU during his tenure as Secretary-General, in what has been a critical period in post-Cold War Europe. Although this is the second time we sit at this table, it is the first time we do so unfettered by the presence of foreign troops on Estonian soil. The moral support lent by the WEU and its member states played no small part in helping achieve this goal, so it is a special privilege for us to be here today.

In my brief remarks, I would like to focus on three ways that Estonia views the WEU within Europe's evolving defense identity, namely, as a pillar, as a tool and as a bridge. Before I elaborate, however, I would say that these views are predicated upon the assumption that European security is indivisible. While troop withdrawals from the Baltic states represent an important step toward security in the region, this was only the first step. There is much, much more to be done to assure security and guard against any new division of Europe.

As we enter a new round of debate this autumn over enlargement of the EU and NATO, it is vital to think through carefully the long-term implications of enlargement. It would not enhance security if some of the Associate Partners were to be left on a waiting list in a gray zone, in a kind of security vacuum, if you will. Such an attempt to increase security for some could inadvertently decrease security for all, and could hew new fault lines onto the continent. This scenario is but a conceptual argument that remains hypothetical at the moment, but we must keep in mind that nature abhors a vacuum. We must also keep in mind that integrating the Baltic states is a way to solve the major security problem of post-World War II Europe. In this regard, Estonia welcomes the fact that the WEU has already demonstrated its understanding of the ideas I just mentioned, namely that in expanding, the EU must take into account security requirements as well as general economic factors. This is why Estonia sees the WEU first and foremost as a pillar.

I am speaking here of the fourth pillar, the security arm of the Maastricht Treaty. We are hopeful that relations between the EU and the WEU will be further strengthened after the Intergovernmental Conference in 1996, because we believe that the processes of association with the WEU and the EU should move in parallel.

This brings me to the second way Estonia sees the WEU, namely as a tool. If our structured dialogue with the EU is becoming more substantive and frequent with every day, then the prospects for a similar dialogue with the WEU are even closer at hand and are of a more practical nature. Estonia appreciates the possibility to hold regular and direct political consultations with the WEU Council as equals. We believe, however, that these consultations would be even more useful were they not limited to an exchange of views, but were to become a forum for actual coordination of policy positions. A good example of this is the declaration we will make today on the common position held by WEU members and associated partner states.

In addition, the WEU could serve as a useful tool through which the Associated Partners could help develop and shape the EU's Common Foreign and Security Policy, including the evolution of WEU's own role vis-a-vis the EU. This function has already begun, as we see from the guest list for the September meeting of the EU security working group, to which the Baltic states have been invited alongside the six EU Associate members. On another level, it is only logical that the Baltic states would also participate in elaborating the WEU's Common European Defence Policy, the first draft of which has already been passed along for our information.

Besides political consultation, the WEU could be used more as a tool in military affairs. I mentioned the Common European Defence Policy, but we are also very interested in developing direct ties with WEU military structures and its Planning Cell. We would also like to be involved in the relevant ongoing preparations for using WEU forces within the framework of the Combined Joint Task Forces with NATO.

This reference to NATO brings me to our third view of WEU as a bridge. Operating from the adage that interlocking is better than interblocking, Estonia welcomes increased ties between NATO and the WEU in general, and the place of the Associate Partners in that relationship in particular. For us, the WEU can truly be a bridge toward strengthening our ties with NATO, just as NATO's Partnership for Peace program can enhance common activities within the WEU framework. More and better coordination between the two, however, cannot come at cost of losing comparative advantage. NATO and the WEU are complementary organizations,

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and each organization must keep its own face if the European Defence Identity is to continue evolving not in weakness, but in strength. Thank you.

Changes Necessary to Ratify Treaty With Russia

WS1511115294 Tallinn BNS in English 1330 GMT 14 Nov 94

[FBIS Transcribed Text] Tallinn, Nov 14, BNS—The Estonian Minister of Justice, Juri Adams, said on Monday [14 November] it would take the ministry at least two more weeks to determine what legislative acts had to be changed so that ratification of the Estonian-Russian treaties on troop withdrawal and social security guarantees for retired military would be possible.

Adams was referring to a ruling by the former government of Prime Minister Mart Laar, which ordered the Justice and Foreign Affairs Ministries to present to the government the bills of amendment and draft government rulings that would eliminate contradictions between the country's existing legislation and the Estonian-Russian treaties.

He said the ministry was investigating the problems related to the implementation of the two agreements signed in Moscow in summer. Experts are working to identify what stipulations, and how, must be changed, Adams said.

The problem is not in that the agreements were in conflict with the Estonian laws, but that an international agreement as a legal act of a higher status is superior over the laws of a separate country, Adams told BNS.

Another problem is that several provisions, particularly in the treaty on social guaranteees for retired Russian military in Estonia, allowed different interpretations.

The minister in an earlier interview with the RAHVA HAAL newspaper has said problems were likely to emerge over selling flats to the Russian army retirees as well as in counting the length of their employment records.

Commenting on an article in the treaty which says that Estonia can refuse to grant residence permits to retired Russian military who threaten the country's security, Adams said it was not clear who and upon what criteria was to measure the threat deriving from the retired officers. And, what is also important, there exists no clear definition of who exactly are "retired military."

The Justice Ministry following a long delay presented a report on legal examination of the Estonian-Russian treaties to the government on Oct. 28.

The then government of Mart Laar on Nov. 1 ruled to refer the report back to the ministry to identify exactly what changes were needed in the country's legislation before the treaties could be ratified in the parliament.

A government ruling from Nov. 7 orders consultations by the Foreign Ministry and the Justice Ministry through diplomatic channels to "eliminate difficulties that could emerge in the implementation of the treaties."

The document signed by former Prime Minister Mart Laar also says the Foreign Ministry after completion of these stages must present to the government a formal proposal to submit the treaties to the parliament for ratification. But the ruling contains no time limits or deadlines.

Despite referring the expert report back to the Justice Ministry, Laar's government issued its formal approval to the Estonian-Russian treaties at its last meeting on Nov. 3.

The treaties on the Russian troop withdrawal from Estonia and on social security guarantees for retired Russian military in Estonia were signed by presidents Lennart Meri of Estonia and Boris Yeltsin of Russia in Moscow on July 26.

Reform Party Elects Central Bank President as Chairman

WS1411150394 Tallinn BNS in English 1054 GMT 14 Nov 94

[FBIS Transcribed Text] Tallinn, Nov 14, BNS—A new political party, called the Estonian Reform party, was formally set up in Tallinn on Sunday [13 November] and elected the governor of the country's central bank, Siim Kallas, as its chairman.

While the process of merger of the new party with the Liberal Democrats was already under way, Kallas called for a wider coalition of the country's right-of-the-center political forces.

Kallas, popular for his role as central bank chairman in the introduction of the Estonian national currency in 1992 and an ardent defender of liberal free market policies, failed to formally enter the top political echelons when the parliament last month rejected him as President Lennart Meri's first nomination for the country's new prime minister.

Kallas is the leader of the non-political party status Taxpayers' League, which combines a number of the country's top business leaders and bankers.

The Estonian Reform party was set up by people who consider it necessary that the country would continue on the path of right-wing economic policy, but who found it impossible to join any of the already existing parties, Kallas said.

Kallas said that apart from his own person, there was no link between the Reform party and the Taxpayers' League. But he added members of the league were ready to support the party.

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He said the party was pressing for radical progress on the issues of property and land reform, lower taxes and private business development.

"We are against whatever kind of nationalization. Our approach is entrepreneurship-centered," Kallas was quoted by the HOMMIKULEHT newspaper as saying. He said the orientation of the party's tax policy was toward total abolition of the income tax.

The Reform party's founding meeting called on fellow right-of-the-center political parties to set up a pre-election coalition, to be called the Estonian Forum.

Kallas said it was logical that his party would work closely with the Pro Patria and that talks with that party were expected to start soon. "A very interesting discussion could also emerge with the (opposition) Coalition party, or at least with a part of it," Kallas added.

He mentioned the newly set up Rural People's party and the formerly Pro Patria Republicans and Conservatives as other likely partners.

The Reform party's founding meeting approved plans to merge with the Liberal Democrats, the HOMMIKULEHT reported.

Meelis Atonen, political secretary of the Liberal Democrats, told BNS the Liberal Democrats at their emergency general meeting, also on Sunday, had decided to join with "Kallas' party." The Liberal Democratic party council received the powers to hold negotiations on the merger.

Atonen said it was still not clear what the new, merged party would be called. "We made a proposal that the new party should carry the name: Estonian Reform Party-Liberals," Atonen told BNS.

He said consultations between the founders of the Reform Party and the Liberal Democrats had taken place already before Sunday. "The merger was needed in order to avoid the emerging of two small parties," he said.

The Liberal Democrats also supported the idea of Kallas' becoming the new party's leader after the merger. Liberal Democratic Chairman Paul-Eerik Rummo would run for chairmanship of the party board.

Atonen was quoted by the RAHVA HAAL newspaper as saying the Liberal Democrats had set no special conditions for the merger. But he said the new party had to continue the Estonian Liberal Democrats' activity in the Liberal International.

Atonen said a joint congress of the new party was expected in January. "Then there will be already a commom party council," he added. He said there would also be a common ticket for the March 1995 general elections.

Laar Warns Populism Could Lead to Stagnation

WS1511115194 Tallinn BNS in English 1700 GMT 14 Nov 94

[FBIS Transcribed Text] Tallinn, Nov 14, BNS—Approaching the year 2000, Estonia must choose between keeping the current radical reform on track or reducing its pace and risking the loss of much of what it has gained so far, former Prime Minister Mart Laar says in an article containing a vision of the country's future development.

While Estonia last year managed to get the decline in the economy under control, this year's estimated seven percent annual growth in gross domestic product (GDP), which is also among highest in Europe, gives proof of economic recovery, Laar says in the article published in Monday's edition of the POSTIMEES newspaper.

The former premier quotes a World Bank [WB] report completed on Aug. 28, which says Estonia is standing at a turning point where it can choose among three different paths. Those are defined by the WB as the good, the best, and the bad, respectively.

If the country manages to retain macroeconomical stability and continue structural reforms, the WB forecasts an average five percent annual growth in GDP during the years until 2000.

The need to upgrade the country's industry would lead to growing imports and keep the balance of payments by an average USD150 million to 160 million in the negative between 1994-97. The gap would remain at about six percent of the GDP, but import of state-of-the-art technologies would soon show its positive effect.

Estonia's foreign debt is relatively small. The country also has all the makings for remaining attractive to foreign capital. In 1993, the equivalent of 10 percent of GDP was invested in the country from abroad.

Foreign investments in the first half of this year were up two times from the same period in 1993. The same growth rates are expected in the years 1995-97.

The WB also predicts that the effectivity of investments would grow as modern technologies are applied. Estonia's open trade policy along with a stable currency exchange rate will contribute to the exports growing at an annual pace of 8-10 percent. This would lead to the balance of payments gap shrinking to three percent of the GDP beginning from 1997.

Such a development scheme would allow for a rather quick and stable development, but fails to offer the chance for a real breakthrough.

The second development pattern outlined in the WB report, which the bank characterizes as very good, has rather good chances to be carried out, the same document says.

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This requires that Estonia, while continuing to stick to a balanced state budget policy, strict monetary rules and open economy, would speed up structural reform. This includes efforts to create a still better investment climate, rapid progress in setting the legislative groundwork for this, development of infrastructure. This would push annual GDP growth to eight percent in 1995-96, or figures comparing to Germany's economic growth after WW II, to be followed by a minor decline in the next years.

The World Bank in the report also identifies the main risk points, failure over which could put Estonia onto a completely different development pattern.

The three main risks which Estonia must effectively fend off are:

—Attempts to alter the country's farm policy by introducing customs barriers, budget subsidies, and taking extensive obligations with respect to the farm sector's size of income.

—Slowing down the pace of privatization and restructuring of industry, with a subsequent increase of the tax burden.

—Suddenly raising social security spendings, and thus disbalancing the state budget.

Such moves, or even one of them, would lead to a rapid rise of inflation and jeopardizing the monetary system. Foreign investors would lose trust in Estonia and failure to upgrade production would keep down exports.

And if failure of reforms, growing inflation and a subsequent fall in the standard of living happens to coincide with some forceful negative factor from outside, such as sudden increase in world oil prices, Estonia's national security comes under serious risk, the WB warns.

Following this development pattern would bring economic growth down to zero levels and keep the growth of exports—then mostly consisting of raw materials, such as timber and farm produce—at a bare 1-2 percent per year.

The negative pattern would apparently include a decline in imports, while hardest hit would be the import of machinery and production equipment. Under such conditions there can be no talk of modernizing the industrial sector.

The former prime minister in his comments warns of developments that could cast the country on the latter path. The head of the Pro Patria party points out that all three main risks mentioned in the WB report can also be found in the platforms of some of his rival parties, which according to polls are enjoying wide popular support. Laar in the article emphasizes the challenge that the country is facing in the next general elections in March 1995.

Police Raid Underground Aircraft Assembly Plant

WS1511114394 Tallinn ETA in English 0754 GMT 15 Nov 94

[From 15 Nov PAEVALEHT, p.7; "News Bulletin" No. 222/94]

[FBIS Transcribed Text] The economic police and officers of Harju Prefecture discovered two military jet trainers being assembled in a hangar of the former Russian air base of Amari on November 12.

The police arrested four Russian engineers who had been working without permits and seized two Czechoslovakian-made L-39 jet trainers, which had been imported from Tambov, Russia. The aircraft had been brought to Estonia by a private company "Muskett", which has licences for the organisation of hunting and fishing trips, holding fairs and processing timber. One of the owners is an Estonian citizen, the other a foreign citizen residing in Finland.

Prefect of Harju police Herman Simm admitted having known of the assembly of two sports planes, but was surprised at the discovery of jet trainers. He added that one of the jets was to have been sold to the UK.

The company had offered similar aircraft to the Defence Forces, but an anonymous officer commented that the offers had been declined as unreliable. The L-39 is a two-seat trainer, but can be upgraded into a light attack aircraft.

The hangar and the airplanes are guarded by Defence League volunteers until the authorities have decided what to do.

Latvia

Russia Remains Largest Foreign Trade Partner

WS1411150594 Tallinn BNS in English 1054 GMT 14 Nov 94

[FBIS Transcribed Text] Riga, Nov 14, BNS—Russia still is Latvia's largest foreign trade partner, State Statistical Committee reports.

In the first nine months of 1994, goods for 117.2 million lats (23.8 percent of the total amount of import) were received from Russia and goods for 111.1 million lats (27.9 percent of the total amount of export) were sent to Russia.

Latvia's foreign trade turnover reached 907 million lats in the first nine months of 1994.

In this period of time, the foreign trade balance was negative: Latvia exported goods for 411 million lats, but imported products for 496 million lats.

Latvia received humanitarian aid for 11.7 million lats, but handed help for 143,000 lats.

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Agreements With Russia 'Approved'

MM1411142194 Moscow KRASNAYA ZVEZDA in Russian 12 Nov 94 p 1

[RIA-Own Information report: "Latvian Saeima Approves Agreements With Russia"]

[FBIS Translated Text] On 10 November, following a second debate on the matter, the Latvian Saeima approved the agreement between the Latvian and Russian governments dated 2 June 1993 "On Regulating the Process of Resettlement and Protecting the Rights of Resettlers."

A package of documents on the withdrawal of Russian troops from Latvia and the social protection of Russian military pensioners living on Latvian territory, signed 30 April 1994 in Moscow was also approved. It was decided to conduct a ballot on the ratification of the Latvian-Russian agreements 24 November, after they have been approved in the Russian Federation Council.

Poor Security at Skrunda Site Due To Insufficient Funds

WS1511090594 Riga DIENA in Latvian 29 Oct 94 p 7

[Report by Liga Laizane: "Interior Ministry Has Not Received Sufficient Funds To Protect the Skrunda Radar Station"]

[FBIS Translated Text] Riga, 28 Oct—A responsible official of the Internal Affairs Ministry told DIENA in an interview that the complaints regarding insufficient protection of the Skrunda radar station, expressed by Janis Kalvins, chairman of Kuldiga municipal authorities, are in principle true, but that there is a specific reason for this state of affairs.

As DIENA has already reported, a thief from Liepaja, who attempted to steal nonferrous metal, was wounded by a Skrunda station guard last Tuesday. The guard fired his gun at the thief. The incident took place on the territory of the Skrunda station, on 18 October. At present, criminal proceedings have been instigated against the guard for overstepping the limits of his authority and using his weapon.

As DIENA was told by Kuldiga Police Chief Dace Cerkasina, it was clarified during the investigation that on the evening of 17 October, four young people arrived by car from Liepaja and began to negotiate with the Skrunda station guards, asking that they be let in during the night to cart away nonferrous metal. Two of the guards went with the young men to a nearby town, where two bottles of alcohol were purchased as payment. After that, the guards at one control point drank until 0200. The guards apparently did not perform their duty that night and there was no inspection schedule worked out.

At 0500 that morning, the lieutenant of the guard unit left the building and discovered a large heap of metal at the station gate. Along with two other guards, he tried to arrest one of the young men from Liepaja, Juris J., but the latter started to run away. In the early morning light, the lieutenant fired into the air, then twice in the direction of the escaping man, wounding him. The man continued running, until he reached the Russian Army base, where he asked for help. He is now in the hospital, where he had to undergo an operation. Around 1200, the Army Militia informed the Skrunda police station about the incident. The guards also arrested the remaining thieves, but have released them, for reasons which are still unclear.

The testimonies of the lieutenant and the soldiers differ. The guards testify that this is the first case of metal being stolen from the site. Many records kept by the guards, however, such as the condition of buildings (open windows, doors with seals ripped off), remnants of bonfires, and tire treads of unidentified cars, prove the contrary, said Cerkasina. Since September, when the mobile regiment undertook responsibility for protecting the Skrunda radar station, there have been no reports on any people being arrested.

Upon being questioned, the soldiers of the guard unit said the territory they have to protect is rather big and their armaments are considerably poor—they lack proper lighting devices and arms, the only weapon belongs to the lieutenant, and the telephone can only be reached at the Russian Army control point.

"Protection carried out on such a level cannot be called sufficient," stated Cerkasina in a conversation with DIENA.

The Internal Affairs Ministry representative also told DIENA that the soldiers of the mobile regiment, who undertook the duty of protecting the Skrunda radar station on 4 August, one day before the visit to Latvia by U.S. President Clinton, are guarding the site on verbal orders from the prime minister. For this, they use the funds of their own regiment, notwithstanding the fact that this task is not foreseen in the functions of the regiment at all. Every week, approximately 10 soldiers of the regiment are brought from Riga to Skrunda to perform guard duty, although its facility covers 42.5 hectares. The official did not deny that there have already been cases of valuable materials being stolen from the site.

The Ministry of Internal Affairs was looking for funds since it was entitled to guard the object. The last project, examined by the government on 14 September, asks the state budget to allot the ministry a sum of 24,000 lats. The sum is necessary until the moment when it will be possible to carry out the protection of the object by means of the Russian repatriation fund, which was created for the needs of the environmental protection of Skrunda, as well as for the needs of repatriation of Russian military pensioners. With this money, the ministry could organize a special guard unit, either on the "Apsardze" [protection] Army unit base, or by engaging a private organization offering cheaper services. The

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above means would be used for guarding the compound around the new building taken over by Latvia. For the external protection of the entire Skrunda station facility, which is the task of the Latvian side according to the Latvian-Russian agreement, the means would be insufficient, anyhow.

It is also not clear whether the U.S. company which is going to dismantle the radar station will provide protection for the site on their own or will pay the expenditures connected with it.

Lithuania

Fifth Baltic Assembly Ends, Passes Resolutions

Calls for Kaliningrad Demilitarization

LD1411194994 Moscow INTERFAX in English 1718 GMT 14 Nov 94

[From the "Presidential Bulletin" feature compiled by Nikolay Zherebtsov, Andrey Petrovskiy, and edited by Vladimir Shishlin]

[FBIS Transcribed Text] The fifth session of the Baltic Assembly uniting parliaments of Lithuania, Latvia and Estonia ended in Vilnius on Sunday [13 November]. The delegates called for denuclearization of the region and on both the NATO and CIS defence alliance to undertake commitment not to store any nuclear weapons there even temporarily.

The regional council of ministers is recommended to start drafting a tripartite treaty on regional defence cooperation.

The Assembly also passed a resolution calling for demilitarization and development of the western Russian enclave of Kaliningrad and proposing that an international round table conference be held to discuss the issue. The delegates suggested that demilitarization of Kaliningrad should be seen as one of the elements of overall European security. They also backed up a resolution now under discussion by the Council of Europe parliamentary assembly on restoring historical names.

The governments of the three Baltic states are recommended to coordinate preparations for talks for associate membership of the European Union and start consultations to bring Baltic legislation with EU's.

Lithuanian PM [Prime Minister] Adolfas Slezevicius speaking to the delegates said the Baltic states must seek an associate EC membership next year and full membership by the year 2000.

He called for concerted action with other regional states for dialogue with the EU as a away of achieving the goal of incorporation in western economic, political and military structures.

The prime minister described as a priority the need to pursue uniform economic policy in the region calling to give up rivalry in some of the areas and agree regional shipment tariffs. He also stressed the need for improved border controls and uniform documentation for border crossing.

His Estonian counterpart Andres Tarand in turn called for a regional market of services and goods and legal groundwork for regional economic cooperation. He said the Baltic council of ministers set up this summer must discuss the problems of regional shipments, transport infrastructures and an easing of border controls with each other.

For his part, Latvian PM Maris Gailis now in charge of the Council said it could help towards closer union with the Scandinavian states on a 3 plus 5 formula.

He described as a priority of regional cooperation the task of readjusting local legislation to that of the EU and producing a regional security and defence doctrine. Gailis also called for three-nation agreements on joint border protection, war on crime and unemployment, and the promotion of science, education and culture.

Signs Joint Cooperation Documents

LD1411095294 Tallinn Estonian Television Network in Estonian 1900 GMT 13 Nov 94

[FBIS Translated Text] Three Baltic parliamentary delegations signed 17 joint documents at the fifth session of the Baltic Assembly, which ended in Vilnius today. The most important of these documents deal with military cooperation between Estonia, Latvia and Lithuania, a nuclear-free Baltic zone, and a common visa area for the region.

[Unidentified correspondent] As there can be no common Baltic law, the three parliaments cannot decide on anything which would be obligatory for the three Baltic states. And so, the Baltic Assembly drew up 17 statements, letters, and resolutions which in essence are recommendations to the Baltic Council of Ministers, or more precisely, the foreign ministries of Estonia, Latvia and Lithuania, toward the drafting of projects which have to be handled and implemented together.

In the opinion of the participants, Kaliningrad oblast should be demilitarized and the eastern Baltic coast become nuclear-free. Alongside the issues of Estonian-Latvian-Lithuanian security, and integration into Europe, there are also matters concerning daily life. For example, regulations on a change of residence within the Baltic region, or on Estonian-Latvian-Lithuanian material obligations to individuals who are currently, say, Estonian citizens, but were previously Latvian citizens who had left property behind in Lithuania.

One document regulates the organization of work at the Baltic Assembly and the Baltic Council of Ministers. In future, joint sessions will be held annually, under the name of the Baltic Council.

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Brazauskas Criticizes Baltic Assembly Resolutions

LD1411175694 Vilnius Radio Vilnius Network in Lithuanian 1700 GMT 14 Nov 94

[FBIS Translated Text] Lithuanian President Algirdas Brazauskas thinks that the resolutions adopted last week in Vilnius by the Baltic Assembly should be regarded just as the Baltic Assembly's resolutions and not as an official stance of the states, especially on questions of foreign policy.

In his regular Monday [14 November] interview on Lithuanian radio, the president said that he would have liked to see better preparation and consideration in adopting the documents. According to Brazauskas, before adopting the documents the Lithuanian delegation should have discussed their content at the Seimas.

Brazauskas stressed that statements made by the three Baltic states are heard by other states, especially by the politicians of neighboring states. According to the president the highest government institutions of the Baltic states did not authorize the Baltic Assembly to adopt declarations on such major issues.

The Baltic Assembly adopted two documents which do not speak only about the three Baltic states. This is the resolution on the demilitarization of the Kaliningrad region and its further development, and the statement calling for the removal of nuclear weapons from the Baltic Sea region and for this region to be declared a nuclear-free zone.

According to Brazauskas' point of view the executive power should be more widely represented at the Baltic Assembly sessions and the official state policy should be reflected there. The preparation for the sessions should not be so isolated from the common interests of our states.

As in his speech made at the Baltic Assembly, the president devoted considerable attention in his radio interview to the so-called unfair competition; quite often irresponsible Estonian high-ranking officials speak about the exceptional position of one Baltic country in comparison with the other two. Algirdas Brazauskas stressed that by jointly creating their image, the Baltic states could achieve much more because most international organizations regard them as a single partner. Individually to break through into NATO or other organizations will be very difficult, President Algirdas Brazauskas stressed.

Moscow Wants International Treaty on Military Transit

LD1411195894 Vilnius Radio Vilnius International Service in Lithuanian 2200 GMT 13 Nov 94

[FBIS Translated Excerpt] A meeting of heads of the Lithuanian and Russian negotiation delegations took place in Vilnius on 11 November. Although other issues such as Vnyesheconom Bank debts and border crossing points are mentioned among the questions that had been discussed, the issue of a treaty on military transit was the most important objective of Viktor Isakov's visit to Vilnius.

Here is Ilona Rukine reporting from the news conference held by the heads of the negotiation delegations.

[Rukine] Viktor Isakov said that he came to Vilnius to find out why negotiations on military transit got stuck. He described this treaty as the most important and the most pressing issue.

Viktor Isakov met Virgilijus Bulovas, head of the Lithuania negotiation delegation; Albinas Januska, secretary of the Lithuanian Foreign Ministry; and Justas Paleckis, the president's adviser on foreign affairs. [indistinct passage omitted]

According to the head of the Russian negotiation delegation, Lithuania has the right to determine the regulations for railway transport conveyance; however, he believed Russia and Lithuania should sign a transit treaty because Russia's transit could not be compared to the transit of any other country.

Viktor Isakov seemed to be sincerely surprised that the treaty has become a political problem in Lithuania. He referred to the treaty as "technical matters of railway functioning." Here is Viktor Isakov:

[Begin Isakov recording in Russian with superimposed Lithuanian translation] While respecting the Lithuanian Transit Regulations and adhering to them, especially concerning the amount of railway carriages, we can say that we agree with the restrictions demanded by Lithuania. However, there is no politics and there can be no politics in military transit. This is a very simple matter of transport conveyance. [end recording]

[Rukine] Viktor Isakov thinks Lithuania and Russia have maintained normal neighborly relations and will continue to do so and that an agreement would be reached on military transit as well.

When asked about political and economic pressure on Lithuania made by Moscow and the signed agreement on most favorable trade partner, Viktor Isakov said: Legally these two treaties on military transit and trade are not linked; however, the reality dictates its own laws and, therefore, both treaties will have to be implemented together as a complex.

The leader of the Russian negotiation delegation said diplomatically but firmly that only (?agreement on military transit will not suffice). Russia needed a treaty.

[Begin Isakov recording in Russian with superimposed Lithuanian translation] Today you will kindly allow our transit; however, tomorrow you may be not. Listening to the political statements made in Lithuania on military transit, Russia wants to have a bilateral international treaty based on regulations that cannot be easily revoked at a whim. [end recording]

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[Rukine] One cannot revoke international obligations easily, because this would provoke a reaction from foreign countries and would be a violation of international law, Viktor Isakov said. [passage omitted]

Landsbergis: Military Accord Not Linked to Economy

WS1511114294 Tallinn BNS in English 1800 GMT 14 Nov 94

[FBIS Transcribed Text] Vilnius, Nov 14, BNS—Lithuanian Opposition Leader Vytautas Landsbergis called Friday's [11 November] meeting between the heads of Lithuanian and Russian negotiation teams a "bad sign," because "the course of talks is not changing and Lithuania is pushed" into a military transit agreement.

At a press conference Monday, Landsbergis said Russia wants an agreement that could not be cancelled by Lithuania. He noted that this was confirmed by Viktor Isakov, head of the Russian delegation for talks with Lithuania. The opposition leader said a "certain dialog" goes on between Russia and Lithuanian political forces, which warn that transit agreements would be cancelled as soon as government changes in Lithuania.

"It would be very significant for all political parties to say what they would do if the LDLP (ruling Lithuanian Democratic Labor Party) leadership decides to sign the agreement, and what they would do after the LDLP will no longer be in power," Landsbergis said.

The opposition leader reiterated that "diplomatic warnings" are made by Western diplomats not to harm Lithuania's sovereignty with military transit.

Landsbergis said Canadian Prime Minister Jean Chretien "lent a helping hand to Lithuanian diplomacy" in his letter to Lithuanian Prime Minister Adolfas Slezevicius. The opposition leader said the letter explained that according to the principles of the GATT convention, an agreement on military transit cannot be linked to international economic relations.

"This a strong argument at a time when Russia wants to sign the convention so much and to become a member of GATT," Landsbergis said. He also noted that the letter is also a signal to Lithuania, which is in line to join GATT, as well.

There have been no reports about the letter either from the state-run news agency ELTA or other official government sources.

Landsbergis reminded reporters that the opposition suggests to carry out military transit according to international practice, when permission for transit are given only on the official request of a foreign country, even as a foreign ministry note.

Experts Check Security at Ignalina Plant After Threats

LD1411150594 Moscow ITAR-TASS in English 1408 GMT 14 Nov 94

[By ITAR-TASS correspondent Vladas burbulis]

[FBIS Transcribed Text] Vilnius November 14 TASS—The first reactor of the Ignalina nuclear power station in Lithuania was shut down last night to enable Swedish experts who arrived here to make a thorough check of the system of protection from possible sabotage. Last week two persons threatened to explode the station on Tuesday, November 15.

The reactor was shut down at 1:15 Moscow time (22:15 GMT), Povilas Vaisnis, chief of the State Inspection for the Safety of Nuclear Power in Lithuania, told ITAR-TASS on Monday.

Specialised groups of police with sniffer dogs trained to detect explosives and experts in nuclear safety arrived from Sweden in connection with the threats to explode the station. They have been thoroughly expecting all the premises of the nuclear power station from the early morning.

Vaisnis said the probability of the sabotage is very small as the system of protection of the Ignalina nuclear power station precludes any terrorist acts. At the same time, he noted there is a need to be on guard as a nuclear power station is an object of enhanced danger.

The number of guards in the station has been increased, admission to the station's territory has been tightened, Viktor Shevaldin, director-general of the Ignalina nuclear power station, told reporters. "The working atmosphere at the station is normal. There is no panic. The personnel realises that a great deal has already been done to increase the station's safety. However, no one can dismiss the threat to explode the station as a bluff", he said.

Plant Temporarily Shut Down

LD1411200594 Moscow ITAR-TASS World Service in Russian 1844 GMT 14 Nov 94

[By ITAR-TASS correspondent Vladas Burbulis]

[FBIS Translated Text] Vilnius, 14 Nov—In connection with reports from abroad about possible sabotage against the Ignalina nuclear power station, the Lithuanian Government today took the decision to temporarily stop operation of the entire station during checks that Swedish experts are carrying out at present. This is stated in an official report by the press representative of the republic's Cabinet of Ministers.

The first energy set at Ignalina nuclear power station was shut down today at 0015, while work to shut down the second nuclear reactor began this evening.

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The report notes that demand for electricity will be restricted in Lithuania from 15 November in connection with the complete shutdown of Ignalina nuclear power station.

Despite the large state expense, the government had recourse to these severe precautionary measures in order to minimize risk and to avoid repetition of similar situations in the future, the report notes. The Lithuanian Cabinet of Ministers has already informed the relevant international organizations concerned with problems of nuclear power safety of this decision.

The Lithuanian Government assures its citizens that there are no grounds at all for concern. All state institutions are implementing drastic measures to protect such an important economic installation. Foreign specialists are taking part in verification work, the Cabinet of Ministers press representative notes.

Plan To Blow up Plant Denied

LD1511100994 Moscow ITAR-TASS in English 0955 GMT 15 Nov 94

[By ITAR-TASS correspondent Vladas Burbulis]

[FBIS Transcribed Text] Vilnius November 15 TASS—A man who had allegedly threatened to explode the Ignalina nuclear power plant in Lithuania has categorically denied the allegations on Tuesday [15 November].

Georgiy Dekanidze, who had reportedly threatened to blast the plant in case his son Boris was sentenced to death for murdering a prominent Lithuanian journalist, told the "Litpollinter" private TV channel that he had never thought of such insane plans.

"I am not crazy to explode a nuclear power plant. I understand what a nuclear plant is and, moreover, that even an explosion would not change the fate of my son. I never made such threats, they are inventions of the press", said Dekanidze, a Georgian ethnic living in Vilnius.

He added that he would not appeal to the president to pardon his son who was sentenced to death by the Lithuanian Supreme Court.

In the meantime, no explosive devices have been found at the Ignalina nuclear power plant which was shut down Monday, on the eve of the alleged act of subversion. Lithuanian and Swedish experts continue to search the plant which produces 90 per cent of electricity in the Baltic state.

The drop in electricity production is being compensated by the Elektronaysk power plant situated 50 kilometres from Vilnius.

Besides, Russia and Byelorussia [Belarus] are supplying electricity. Estonia is expected to follow suit on Tuesday.

Experts Report No Threat to Ignalina

WS1511110194 Tallinn BNS in English 1800 GMT 14 Nov 94

[FBIS Transcribed Text] Vilnius, Nov 14, BNS—Swedish and Lithuanian experts on Monday [14 November] completed examining the reactor control center of the Ignalina nuclear power plant, but found no signs of possible threat. A search for explosives or indications that Ignalina may face a terrorist attack began Sunday after warnings received from different sources.

Examination of the plant's first reactor, which was shut down to facilitate the work of anti-terrorism experts, should be completed by Tuesday morning. Ignalina Director Viktor Shevaldin said the reactor will be put on line no earlier than next week.

On Monday, Shevaldin was still waiting for instructions from nuclear officials in Vilnius whether to shut down the second reactor for a more thorough examination. Before the first reactor was stopped, the plant's reactor units operated at an output of 650 megawatts each. The second reactor now operates at 1,300 megawatts.

Povilas Vaisnys, head of the Lithuanian State Atomic Safety Inspectorate, was also unable to say whether the second reactor will be shut down.

4 Swedish experts looking for signs of threat at Ignalina and three more working at the inspectorate in Vilnius came to Lithuania on the invitation of Prime Minister Adolfas Slezevicius. The group is headed by Jan Nistad, director of the Swedish atomic inspectorate.

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